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U.S. Reduces Caribbean Sugar Quotas

FL0308234295 Bridgetown CANA in English 1756 GMT 3 Aug 95

[FBIS Transcribed Text] Washington, Aug 3, CANA — Caribbean sugar-producing countries have had their sugar import allocations to the United States pegged at 65,217, tonnes as part of a global allocaticn of 1.1 million metric tonnes for the 1996 fiscal year. U.S Trade Representative Mickey Kantor announced Wednesday the allocations of sugar tariff-rate quota for 1996, reflecting a 10-percent decline from the 1995 total.

With regard to the Caribbean sugar countries, Barbados has been allocated 7,394 tonnes; Guyana 12,675; Haiti, 7258; Jamaica 11,619; St. Kitts and Nevis 7,258; and Trinidad and Tobago, 7,394 tonnes.

U.S Department of Agriculture officials say the aggregate quota for October 1 to September 30 1996 is 1.1 million tonnes, as opposed to the previous total of 1.3 million. Washington adopted the current tariff-rate quota system to protect domestic producers in 1990 after a panel found the previous quota system violated the General Agreement on Tariffs and Trade (GATT). Under the present system, the Agriculture Department first announced the quota for sugar that can be imported at relatively low tariff rates. Sugar imported above the quota would be subject to much higher tariffs.

The Office of the U.S. Trade Representative (USTR) then allocates the Agriculture Department quota, country by country, basing its decision mostly on historic shares of the U.S. market. The largest allocations for fiscal year 1996 go to the Dominican Republic, with 185,897 tonnes; Brazil, 153,154 ; and the Philippines, 145,591.

Mercosur Presidents Discuss EU Talks, Trade Barriers

PY0508155595 Buenos Aires TELAM in Spanish 1440 GMT 5 Aug 95

[By TELAM special correspondent from Asuncion, Paraguay]

[FBIS Translated Text] Asuncion, 5 Aug (TELAM) — Shortly before 1000 local Paraguayan time today [1400 GMT], the presidents of Mercosur [Common Market of the South] member countries met at the Paraguayan Central Bank in Asuncion to evaluate the performance of the customs union during the six-month period since its implementation on 1 January.

The meeting was attended by Argentine President Carlos Menem; Paraguayan President Juan Carlos Wasmosy, who is hosting the meeting; Brazilian President Fernando Henrique Cardoso; and Uruguayan President Julio Maria Sanguinetti. Bolivian President Gonzalo Sanchez de Lozada and Chilean President Eduardo Frei are also present as special guests to participate in talks that have to do with the future Mercosur membership of their respective countries starting in 1996.

The heads of state of this regional bloc will discuss the strategy that will be used for negotiations with the EU in the light of the meeting between Mercosur and EU representatives scheduled to be held in Madrid on 15 December.

The meeting will also focus on verification of barriers which still hamper free trade within the Mercosur. Furthermore, an effort will be made to provide political support for the integration process.

Starting at approximately 1130 local time today [1530 GMT], the four presidents will speak, thereby closing the Eighth Mercosur Presidential Summit.

Bolivia, Chile Not To Join Mercosur 'for Time Being'

PY0508160895 Asuncion Cerro Cora Sistema Nacional de Television Network in Spanish 1545 GMT 5 Aug 95

[FBIS Translated Text] Chile will not be joining the Mercosur [Common Market of the South]. At least at this meeting, no agreement was reached allowing Chile to join Mercosur because Chile's Common External Tariff [CET] is much lower than the Mercosur CET. Chile's CET is 11 percent, while Mercosur's CET is approximately 20 percent.

Bolivia will not be joining the Mercosur either, at least for the time being, because it belongs to the Andean Pact, and the Treaty of Asuncion specifically states that countries belonging to other economic blocs may not join.

Both situations, however, may be resolved in 1998 because at that time any country will be able to join the Mercosur even if it belongs to other economic blocs such as NAFTA, Andean Pact, etc.

The presidents also signed a pledge to guarantee the supply of raw materials and components. This document precludes any further requests for additions to the lists of exceptions. This means that Paraguay's request to add 50 items to the list of exceptions will not be accepted.

This pledge is being viewed as politically proper but not very advantageous for the Mercosur as a whole. Some people believe that this is a step back.

Mercosur Summit Joint Communique Highlighted

PY0508235195 Buenos Aires TELAM in Spanish 2056 GMT 5 Aug 95

[By TELAM-SNI correspondent from Asuncion]

[FBIS Translated Text] Asuncion, 5 Aug (TELAM) — Today the presidents of Argentina, Brazil, Paraguay, and Uruguay reiterated their allegiance to the principles of democracy and emphasized that the Mercosur [Common Market of the South] member countries consider macroeconomic stability essential for their success.

In a communique released at the end of the Eighth Mercosur Summit, which took place in Asuncion, the four countries underscored the significance of the measures through which the Common Market Group (GMC) will ensure "the free circulation of goods manufactured in the area in keeping with the agreements" reached at this regional forum.

Argentine President Carlos Menem, Brazilian President Fernando Henrique Cardoso, Paraguayan President Juan Carlos Wasmosy, and Uruguayan President Julio Maria Sanguinetti also reiterated "their full support for democratic principles."

The 24-point joint communique was signed at the Paraguayan Central Bank Convention Hall.

This communique emphasized the efforts "of Mercosur member countries to achieve macroeconomic stability," which is considered to be "essential for the integration of Mercosur countries to be successful."

The parties also labeled "the marked growth of trade between the four countries as very positive."

The presidents conveyed their satisfaction over "the participation of Bolivian President Gonzalo Sanchez de

Lozada and Chilean President Eduardo Frei as special guests."

The Mercosur presidents reaffirmed their intention of concluding, as soon as possible, negotiations with Bolivia and Chile in order to sign "economic cooperation agreements" with the two countries.

The communique reaffirmed "full support for democratic principles as the pillars on which Mercosur's process of integration is built."

It viewed "the marked growth of trade between the four countries as highly positive," and pointed out that "this growth reflects the economic operators' confidence in the Mercosur."

The parties expressed their satisfaction over the implementation of the customs union, and acknowledged "the need to continue strengthening this union through the full enforcement of already approved common trade policy mechanisms and instruments."

The communique underscored the fact that the Mercosur Trade Commission "charged with overseeing the implementation of common trade policy instruments and submitting proposals to higher levels" is already working.

It reiterated "Mercosur's political will to play a competitive and broad role in the world," in line with which "active participation will be sought in all international forums and agreements aimed at similar objectives."

The communique emphasized the significance of ongoing negotiations between the Mercosur and the Latin American Integration Association, and the upcoming negotiations with the EU.

It conveyed the parties' satisfaction over the decision reached at the ministerial meeting in Denver to begin a program aimed at implementing the "Free Trade Area of the Americas."

The presidents "urged the speedy ratification of the 'Ouro Preto Protocol' which establishes Mercosur's institutional structure to keep up with the progress of the process of integration."

In connection with this, they agreed that the "Economic and Social Forum established at the Ouro Preto meeting is the appropriate mechanism for the participation of economic and social sectors from all four member countries."

The communique emphasizes that the presidents "were pleased to note the results achieved in ongoing technical cooperation programs carried out mainly with the support of the IDB and the EU."

The Mercosur group also approved the actions taken during the six-month period since the implementation of the customs union and acknowledged the key role that the educational integration protocol will play within the framework of the Mercosur.

Sanguinetti, Cardoso, Menem Depart After Summit

PY0508212295 Asuncion Cerro Cora Sistema Nacional de Television Network in Spanish 2004 GMT 5 Aug 95

[FBIS Translated Excerpt] This is a report from the the Silvio Petirossi International Airport, where Argentine President Carlos Menem is boarding his plane at this moment. He is the third president to leave Asuncion after participating in the Mercosur Summit. Uruguayan President Julio Maria Sanguinetti left first, followed by Brazilian President Henrique Cardoso. [passage omitted]

Bolivian President Gonzalo Sanchez de Lozada will stay in Asuncion until 1700 local time [2100 GMT], at which time the plane that will take him back to his country is expected to arrive. Chilean President Eduardo Frei will be staying in Paraguay for two or three more days.

Observers Checking Peru-Ecuador Demilitarized Zone

PY0408025895 Lima America Television Network in Spanish 0100 GMT 4 Aug 95

[FBIS Translated Text] A report from Bagua indicates that the mission of military observers made up of the guarantors of the Rio de Janeiro Protocol is moving into the demilitarized zone between Peru and Ecuador. Its main objective is to confirm the location of the Ecuadoran Banderas military base as established in the agreement between the two countries.

[Begin recording] [Unidentified reporter] Since the enforcement of the demilitarized zone at the border between Peru and Ecuador began, the El Milagro military base in Bagua has become the center of operations for the members of the Ecuador-Peru Military Observers Mission, MOMEP. Officers from the United States, Brazil, Argentina, and Chile are traveling to the zone to confirm the enforcement of the agreement that went into effect at 0000 on 1 August. The members of the mission have a special interest in locating the Ecuadoran Banderas military base, which is one of the bases that has created controversy. The mission members are constantly moving around the zone aboard helicopters provided by the Sixth Military Region commanded by General Luis Perez Documet. According to the agreement, the bases of Coangos in Ecuador and Watch Post One in Peru are allowed a maximum of 50 soldiers carrying individual weapons. In addition, military flights can be authorized only by MOMEP. It is expected that MOMEP will release a communique within the next few hours to confirm that the demilitarized zone is being enforced by the two countries. [end recording]

Cuba

Castro Heads 'Multitudinous' March Against U.S. Embargo

PA0608003795 Madrid EFE in Spanish 2323 GMT 5 Aug 95

[FBIS Translated Text] Havana, 5 Aug (EFE) — Cuban President Fidel Castro today, 5 August, headed the multitudinous "march against the blockade" summoned by the "Union of Young Communists." The march visited the same places along Malecon Avenue where violent street riots took place a year ago.

Under a heavy rain, the march began at the Foreign Ministry building. The Cuban president joined the demonstrators at the "Maceo" Park, which he described as "symbolic," because it was one of the places where the confrontations between several hundreds of people and the police started.

"This act truly constituted a miracle of patriotism and revolutionary spirit. It seemed impossible that it is taking place, because I never saw a more uncertain situation in which to stage a demonstration," Castro said in reference to the showers that began the moment the march started.

The president affirmed that at least 500,000 Havana residents had participated in the "march." He described this figure as "inconceivable" due to the bad weather conditions.

The march along 4 km of Malecon Avenue ended at "La Punta" esplanade with a brief speech by the Cuban leader and a concert in which a group of renowned artists participated.

Delivers Speech After March

PA0608041095 Havana Radio Havana Cuba in Spanish 0000 GMT 6 Aug 95

[Speech by Cuban President Fidel Castro at La Punta Castle at the end of a march commemorating the first anniversary of street demonstrations in Havana on 5 August; from the "Evening Information Review" newscast — recorded]

[FBIS Translated Text] This is not the most perfect place to hold an event. The crowd is quite extraordinary, and I understand it is not easy to get a message across. This is not what we had planned; we had planned something else, the reason why I said I had come to make brief remarks. This event is a true miracle in itself. It is a miracle, and those who believe will say it came from heaven. Those who have other beliefs will say it is a miracle of patriotism and the people's revolutionary spirit. [applause]

As a sacred principle, we absolutely respect all creeds, but it seems quite impossible to hold this event today. I am telling you that in many years of revolution, I have never seen more uncertain conditions to stage a march and a demonstration.

I had planned to join the march at approximately 1.7 km from here, at the Maceo Park, which was a symbolic place where the events of one year ago took place. I was planning to join the march there, but when I was going to that place, I saw such showers, not showers but, rather, a storm, such a drenching rain that I really could not describe as conceivable the march that was staged and organized. What would my comrades do? I said: Well, I am certain they will come out. I was certain of that. Those who are already there will come out on time, at 1600 hours. I saw the streets of Plaza Municipality, where the march began, turn into true rivers. It was a drenching shower in which I could see nothing. Then I said: If 10 people arrive, it would already be a success. [applause]

Without exaggerating and without miscalculating, my estimate is that—Vicky [not further identified] would say there are more people—at least 500,000 people joined the march, at least 500,000 people. [applause] Under these inconceivable atmospheric conditions, I believe nature.... [pauses] I would have been among those 10 people.

Of course, I do not have the merit of having been even partially rained upon, because the rain had stopped when I reached the park. There were people who had been there for a long time, however, standing in line or helping organize the march. They were soaking wet. Some were even shivering from the cold, because they really were soaked. It was a shower. There were two heavy, very heavy showers. Well, I did not get my share of water. What is my merit in this march? None whatsoever. [applause]

I had the privilege of enjoying an event of this nature, an event that really makes us proud of our people, proud of the revolution and its works in the minds of the men and women of this country. I am proud of our youths who were capable of organizing a remarkable event. [applause] There are many reasons for which I feel pleased. Vicky was saying, among other things, that they were here today because I was here. No, I came because I had to come.

It was my most basic duty to be beside the people. The enemy had worked for a very long time to create disorder that could not even be described as an attempt at rebellion. Those disorders were created by groups active in seizing boats to sail to the United States where they were received as heroes. They were actually conducting a destabilizing activity. It was almost impossible to go to Regla, because someone might come up with a knife or a pistol and steal the boat. They stole small, medium-size, and even large boats. They stole anything, because the greater the scandal, the better for propaganda against Cuba, and they were especially welcomed in the United States and enjoyed privileges that no other citizen in the world enjoyed.

They did all these things for destabilization purposes in the middle of a hard economic situation, in the middle of people's great sacrifices, and it was these groups that started to create disorders. Nevertheless, following our line of thinking that the people here are revolutionary and are and will be with the revolution under any circumstances [applause], we would not have been provoked. What did the outside enemy and its internal allies want, although they constituted a small minority? They wanted to provoke a bloody confrontation. They wanted us to use our arms, and we do have arms, for millions of people who defend the revolution. We have arms to fight outside enemies. Unless they land here and use arms, we have no reason to use ours, because we have the people and the masses to preserve the stability of the revolution.

This was my role—to help prevent people from being provoked. We would be shot rather than use our arms, and something unprecedented happened. In a matter of minutes, all of the people went out to the streets and restored order with their mere presence and their spirit, without using arms. Where else does such a thing happen? He who watches television, everyone does, watches what happens everywhere in the world. In civilized and developed Europe, in the United States, in the wealthiest countries, you constantly see crowds of policemen firing bird shot and tear gas bombs, beating and kicking people on the ground. This can be seen every day in the television of numerous countries, and there are many dead and injured and arrested. This is an everyday occurrence. These things do not happen in Cuba, but if there is the slightest attempt at disorder in Cuba, much propaganda and many rumors are heard everywhere, and many people would like to see the revolution topple, but we have been saying for years this revolution will not collapse. [applause]

We used an image years ago, saying this revolution would not come apart at the seams, because it was made of steel and had not been made with egg whites; that is, it was not meringue. [applause] The revolution stands supported by the people, the people's consensus, the people's awareness of what this country was and of what it will never become again.

It does not matter if the people protest for everything in their own right, because they do not have all of the information and are of a very rebellious nature. This is the noblest people that can be thought of, a sacrificed, selfless, and courageous people who fought very hard for their independency until they attained it, who fought very hard for justice, and who, fortunately, attained a degree of culture above the great majority of the peoples of the world. These people have a high degree of instruction. The number of illiterates here is less than in the United States, for instance, where there are many total or so-called functional illiterates. [applause]

These people possess many qualities. This country has learned and thinks. This country is writing one of the most glorious pages ever written. When the entire Socialist Bloc collapsed, when the Soviet Union disappeared and many people in the world thought the revolution had its days counted or weeks, at best, to go, five years have passed, and here it is. Look at what strength. [applause]

This 5 August 1995 will also be remembered, because this event has been organized under inconceivable circumstances. I was grieved thinking about the young people's efforts setting up this event for so long. At the opening, natural circumstances occurred that would have dissolved any crowd everywhere else, but it did not happen like this here, the reason why I say this 5 August 1995 will also be a historic day, and we should remember this date every year from now on, because it is very meaningful and teaches and encourages much.

These people are not under the conditions of 10 years ago, when there was abundance of many things. We had so many things that we even squandered them—fuel, resources, everything. This is one of the setbacks of abundance. We now have less than half of what we had. We have been forced to undergo harder, more complex tests, but we will undoubtedly emerge stronger from this test, [applause] stronger. Such are the advantages of difficulties. I am persuaded here today that none of us will ever forget what we are watching. I have had the privilege of seeing many concentrations, events, and tests of all kinds both in peace and war. I have seen the heroism of war and the heroism of peace, but I say here and without concealing anything that although I am familiar with our problems—and we know there are always those who do not have the necessary presence of mind under circumstances such as these—I believe these people's merits are greater than ever; their awareness is greater than ever, and their heroism is greater than ever. [applause]

Perhaps some people thought we would take a picture of lines of people marching along the waterfront and that 100 wet, dripping people would gather and that those watching would see all this. Look at the Cuban revolution. They would not talk about the rainfall, the storm, or the downpour. They would have said that no one came to the 5 August event and that only 100 people came, but look at the splendid response we have had.

We felt it was our duty to thank our people and those of our capital, and it is precisely the capital where our difficulties are greater because of the problems of housing, water, transportation, electricity, and many others. It is here where we have all those problems and behold how the people of the capital behave. We are glad you visitors of 65 countries are here so you can see what we are seeing. Truly, I have no words to express our gratefulness for your support, for this beautiful Cuba Lives Youth Festival. I have no words to thank you for having accompanied us in these difficult times. I must mention the fact that there are 262 U.S. delegates, because this presence also demonstrates to us the qualities and virtues of those U.S. people [applause] who oppose the unfair and criminal embargo against Cuba.

Such a rigorous blockade as this, a blockade that has lasted for more than 35 years, has never been implemented against any other country. They did not do this against apartheid; they did not do it against Latin American countries in which two, 10, and up to 30 thousand citizens disappeared [applause] and whose resting places are unknown; they did not do this against those governments that caused the disappearance of over 100 thousand people, as with a small country such as Guatemala. They do it against Cuba, where a death squadron, a person made to disappear, or someone killed in the streets for political motives, is unheard of, where—and I say this remark with all the strength the truth bestows us—a nation in which not one citizen has ever been tortured. I ask myself, in what other countries can the same things be said? Every day they kill [words indistinct], or prostitute adolescents, and even children; this is a reality in many countries of our region. Every day there are people who take justice into their own hands. Every day there is violence, drugs, and other problems that do not exist in Cuba; nevertheless, we are the only nation in the world that is enduring a blockade, so we have to react with a great sense of honor and dignity. We have to react with a great sense of patriotism, with a temper to have as much patience as is needed, to wait for as long as is necessary. We cannot delude ourselves because extremist factions are dictating U.S. policy.

Today, they want to sweep away all the social benefits of the U.S. people. We cannot reject the fact that those extremist forces, with all their abundant and varied resources, could gain power in the United States in the near future, that they could dominate for four, eight, or 12 more years. If those extremist factions win control not only of the Senate but of the administration, it will mean for us a new period of danger, ordeal, and blockade; thus, it is no exaggeration to say we will struggle for another 100 years if we have to struggle for another 100 years.

Our nation has struggled for more than 100 years, much more than 100 years, for its independence, facing attempts to annex us, to swallow us up, to eliminate us. We must never abandon that struggle, and we shall not abandon it.

Time is not important. We will need more patience than the Chinese. We will have to act with the wisdom of a 1,000-year-old nation. I am certain that neither this generation nor the following generations—that is, neither today's youth nor tomorrow's youth—will give up that glorious struggle not only for independence and liberty but also for equality and justice. Our people will never renounce this position. We are not exaggerating or dramatizing when we say we are willing to fight for as long as it is necessary. We should do things better each day.

We are compelled to do better things every day, to be more efficient and more committed to our obligations, our duties, and our dear and heroic people. We must learn all the lessons from these difficult times. Vicky was telling me of some of the impressions you, the visitors, had when, for instance, you visited the computer center, the rehabilitation school, the school for the handicapped, the child care centers, the family doctors, the hospitals, or saw the effort this country is making to maintain all of these achievements. Despite having lost 70 percent of imports, not a single school or a single hospital has been closed. [applause] There is not a single child without medical care or a single child without a teacher. What excuse could those who handle abundant resources find or brandish? Thousands and thousands of millions of resources and they have been unable to resolve one single problem of these. Capitalism has been unable to resolve even one of these problems. [applause]

There are countries that have plenty of oil, mineral resources, and I do not know how much reserves in the banks, and they cannot show these achievements our people, under a special period and a blockade, can show. What could we not do the day the blockade ends, the day they will leave us alone? We will strive for that day, and we will await that day.

Your confidence will not be betrayed; your affection will not be useless; your enthusiasm and the seed you have sown in our hearts will never be lost. We will continue to count on you and on the millions and millions of people like you whom we fortunately find around the world. [applause] We will continue to count on this support everywhere. The youths of the world will one day reunite again, and if they don't and if there is no country to do it, with the manner in which this festival was organized, we could organize a world tournament. We do not need money; we need dignity, generosity, goodwill [applause] as those of the families that welcomed you, as those of the neighborhoods that welcomed and saluted you everywhere. We do not need millions, and we can organize events such as this one, in which each one made his own efforts and paid his own fare.

Following this experience, if there are no more world festivals in Cuba under a special period and a blockade, we have enough generosity, common sense, and organization to hold an event of this nature. It is not that we are proposing it. I was told it was going to be held in South Africa; it could not be possible. These festivals do not seek reactionary people, rightist extremists, or uncompromising people, the reason why many people are not concerned about holding youth festivals. What a beautiful event! How much experience we gained! The method, the style, the meeting in the provinces.

Cuba is still large. Its festival could reach until Baracoa, Santiago de Cuba, Holguin, everywhere, with or without a hurricane. [applause] A hurricane loomed over the youth festival, but the hurricane behaved well as it traveled north. It is not that [words indistinct] turned before reaching Florida and would have traveled to the Atlantic. Well, the hurricane left us the water; it left the water to you, those who received the water. You got wet today. You will probably return to your countries much more grown, as is the case with our sugarcane, which is growing with the water and heat. [applause]

Thank you, thank you very much, my dear guests [applause, crowd chants: "Fidel! Fidel!"]

Cuba lives and will live as long as there are men and women like you in the world and as long as there is a heroic people as ours, people capable of defending this right to live. [applause] How I liked that slogan that Vicky beautifully chanted: Socialism or Death! Fatherland or Death! We Will Win! [applause]

Ecuadoran Minister's Criticism of U.S. Bill Noted

FL0508022395 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 5 Aug 95

[From the "NTV" newscast]

[FBIS Translated Text] Ecuadoran Industry Minister Jose Vicente Maldonado has returned to Quito from Havana, where he signed a trade agreement with Cuban officials. Maldonado said upon his return that nobody can prevent Ecuadoran investment in Cuba since Ecuador is a sovereign nation. Maldonado also commented on the Helms-Burton bill, saying that it is totally irrational to speak of restrictions and measures against a nation when everyone harbors high hopes of integration and an increase in trade in the coming century. Maldonado stressed that U.S. investors are missing out on good opportunities, whereas European, Canadian, and Mexican investors are taking advantage of the situation.

Establishment of Ties Between U.S., Vietnam Viewed

PA0608140695 Havana PRENSA LATINA in Spanish 0755 GMT 5 Aug 95

[By Roberto Gili]

[FBIS Translated Text] Hanoi, 3 Aug (PL) — The United States and Vietnam today started a new era with the formal establishment of diplomatic relations at a rather discreet ceremony held in this capital 20 years after the bloody war, which the two nations staged for more than a decade, ended.

Millions of pages were written and hundreds of documentaries and films were made about the century's major confrontation following World War II. These works, along with many books from different genres, captured the legacy of the war's true dimension.

Certain circles still call it "the Indochina Conflict," which is a euphemistic phrase behind which the true objective of the U.S. armed actions against the rising socialism in Southeast Asia, mainly in its advocate, Vietnam, is still intended to be hidden.

The stereotypical innuendoes that on 11 July accompanied the decision President William Clinton made to normalize ties with this country show that the so-called Vietnam Syndrome is still smoldering in a large sector of U.S. society, for which the impact of the defeat turned out to be devastating.

With no alternative but to accept the memories, the United States returned to Vietnam with intentions — at least, that is what it seems — unlike those of the past.

On Saturday, 3 August — a whimsical historical coincidence — exactly 31 years to the day, U.S. Navy planes first bombed civilian targets in the Gulf of Tonkin. Only a few months later, in April 1965, and with the approval of then U.S. President Lyndon B. Johnson, the 7th Fleet massively bombed the northern territory of the Asian state, according to historical chronicles.

Eight years later, Richard Nixon, Johnson's successor, reaped the fruits of that sowing: 58,183 people dead, 300,000 wounded, and 3,689 aircrafts and 4,857 helicopters downed: The Debacle.

According to official data released in April 1995, to this heavy burden, we add other figures of unequal proportions: More than 3.1 million Vietnamese were killed, including civilians and military personnel; 2.6 million people were mutilated, and other 2 million, including more than 50,000 children, were poisoned with chemical substances the U.S. Army used.

According to estimates by Dr. Vu Xuan Hong, secretary general of the Vietnamese-U.S. Friendship Association, and with a view to an impending reality (the relations), "there were only two alternatives: ignore them or promote a new friendship based on completely different foundations and budgets... We chose the second alternative."

He explained to PRENSA LATINA that "the reason lies with the United States itself, where thousands of people supported us, even during the war, including tens of veterans, who are now playing a valuable role in the search for missing soldiers."

The rapprochement between the two sides has shown a noticeable change since 3 February 1994, when the current U.S. administration lifted the commercial embargo it kept on the Asian state for more than three decades.

In late January 1995, the two governments also decided to open liaison offices in their respective capitals. This fact, along with the lifting of the embargo, was used by analysts from the two nations to forecast the likeliness of the event that is taking place today as the climax of tests and signals.

According to other opinions, however, lifting the embargo was the climax of the slow detente in the Vietnamese-U.S. relations. This decision would give immediate — and hurried — leeway for the first "waves" of U.S. executives.

The influence of the pragmatic lobbying deployed by the sector that favored the reestablishment of bilateral relations is equally described as a decisive factor for the step the White House took in July.

Today, the plane carrying Warren Christopher landed easily and without restrictions in the runway of Noi Bai International Airport, which was riddled with bullet holes when Henry Kissinger landed here 22 years ago as the Secretary of State of the Richard Nixon administration, following the signing of the Paris Agreements: The Surrender.

Meanwhile, people here now see North America under another frame of mind. Le Phuong Hieng (18), who works for a joint enterprise and who was born after 1975, agreed to comment on today's event: "I have seen, through films, magazines, pictures, and books, the war crimes committed in Vietnam; they were terrible."

"However, today we are living in peace. The problem now lies in the manner in which to eradicate poverty; the battle is now being fought in the economic arena. I do not know if we lose something as we open the doors for them. Things are now seen from another standpoint," the youth affirmed.

Phan Nam (64), a retired Vietnamese, said: "Vietnam has people with big hearts; the country is full of resources and lacks jobs. On the other hand, the United States has notable technological innovations. The merging of these two situations could yield good results."

Foreign Minister Meets Venezuelan Counterpart in Caracas

FL0508154495 Havana Radio Rebelde Network in Spanish 1155 GMT 5 Aug 95

[From the "Doing Radio" program]

[FBIS Translated Text] Cuban Foreign Minister Roberto Robaina has praised the strong and historic ties between Cuba and Venezuela. Robaina met Venezuelan Foreign Minister Miguel Angel Burelli Rivas in Caracas, on his way back to Cuba following trips to Panama and Guyana. Robaina discussed the upcoming Caribbean heads of state summit — scheduled to take place in Trinidad and Tobago 18-19 August — saying that Cuba will try to carry out its development and introduce the results to the rest of the countries of the region.

Ambassador to Mexico: Economic Opening 'Irreversible'

FL0408153795 Havana Radio Rebelde Network in Spanish 1155 GMT 4 Aug 95

[From the "Doing Radio" program]

[FBIS Translated Text] Cuban Ambassador to Mexico Abelardo Curbelo stated that Cuba's economic opening is an irreversible process and that it will slowly be consolidated and increased. In an interview during a visit made by the diplomatic corps to the Mexican region of Jalisco, Curbelo stated that during the last two years there has been an increase in foreign investors, who have a particular interest in Cuba's new economic process. Curbelo pointed out that in the last two years foreign investments in Cuba have totaled over

$1 billion, in which Mexico is the main investor participating in tourism, the cellular telephone sector, and telecommunications.

Trade Official Signs Salvadoran Agreement

FL0408212695 Havana Radio Reloj Network in Spanish 1936 GMT 4 Aug 95

[FBIS Translated Text] Silvia Marisa Cuellar, executive director of the El Salvador Exporters' Association, and Mercedes Verona, director of the Cuban Export Promotion Center, signed an agreement in the presence of Foreign Trade Minister Ricardo Cabrisas and Carlos Martinez Salsamendi, president of the Cuban Chamber of Commerce, at the Foreign Trade Ministry in Havana today. Cuellar leads a delegation of 28 exporters, the first Salvadoran trade mission to visit Cuba. A second Salvadoran business delegation is expected to participate in the 1995 Havana International Fair.

Spanish Envoy Notes EU's Interest in Expanding Ties

FL0508113795 Havana Radio Rebelde Network in Spanish 2300 GMT 4 Aug 95

[From the "Exclusive" program]

[FBIS Translated Text] Spanish Ambassador Edualdo Mirapeix y Martinez has described the message sent to the EU and Parliament advocating closer EU-Cuba relations as important and yet another step in that direction. Mirapeix y Martinez told the press of an EU action plan that Spain has developed for the six months it will hold the EU presidency. He noted that Spanish-Cuban trade relations are on the rise — in contrast with U.S.-Cuban trade relations, which are nonexistent. He spoke of various forms of aid, other initiatives, and actions which reaffirm EU interest in accelerating Cuba's integration into the international community:

[Begin Mirapeix y Martinez recording] The EU is giving this issue the very special attention that it deserves in its various forums. There have already been three main meetings to date: the General Affairs Council, which groups foreign ministers, met on 17 July; the Latin America Group, which Spain also chairs, met at the directors general level on 20 July; the Latin America Group met again on 26 July, this time focusing on the economy. Participants in all these meetings considered the possibility of opening exploratory talks on closer ties with Cuba, which I can assure you the Spanish presidency fully advocates. [end recording]

French Ambassador Jean Raphael Dufour — France just held the EU presidency — and Italian Ambassador Giovanni Ferri — Italy is next in line to occupy the EU presidency, on January 1996 — accompanied the Spanish ambassador during the news conference.

Cuba, Guyana Sign Guidelines for Cooperation Agreement

PA0708024995 Havana PRENSA LATINA in Spanish 2246 GMT 4 Aug 95

[FBIS Translated Text] Georgetown, 4 Aug (PL) — With the signing of the final document outlining the main guidelines for cooperation between Cuba and Guyana in 1995-1996, the 18th meeting of the Cuban-Guyanese Joint Commission ended today.

Signed by Cuban Foreign Minister Roberto Robaina and Guyanese Foreign Minister Clement Rohee, the final document foresees not only the continuation of scientific-technical cooperation, which has been implemented since 1975 in the public health, education, culture, sports, and other fields, and expands these relations into new areas.

Included in these new areas are mining, construction of low-cost housing, investment protection, pharmaceutical industry, and musical training, among others, with a particular feature being the potential inclusion of the Guyanese private sector.

Speaking during the closing ceremony of the meeting of the joint commission, Robaina stressed the importance to Cuba of the signing of the document, not only because of its labor commitments and because it is a starting point for new companies, but because it is convincing proof of the right direction of the relations between the two countries and their improved prospects.

During his stay here, the Cuban Foreign Minister met with high-ranking Guyanese politicians and businessmen, including meetings with Prime Minister Samuel Hinds, representatives of the business sector and the Chamber of Commerce, and with Health Minister Gail Texeira.

Robaina also spoke with Kenneth Hall, acting general secretary of the Caribbean Common Market (Caricom), which secretariat is located in Georgetown, and with former President Desmond Hoyte, leader of the opposition in parliament.

Export Group, Salvadoran Company Sign Accord

PA0508041295 Havana PRENSA LATINA in Spanish 0038 GMT 5 Aug 95

[FBIS Translated Text] Havana, 4 Aug (PL) — The Corporation of Exporters of El Salvador [Coexport] and the Cuban Export Promotion Center [CEPEC] today signed here a protocol with a view to broadening the commercial ties between the two countries.

The document, signed before Cuban Foreign Trade Minister Ricardo Cabrisas, constitutes the main result of the visit representatives of 19 Salvadoran companies will conclude tomorrow. This visit is the first businessmen from that Central American country have made in the last 40 years.

Coexport General Director Silvia Maritza Cuellar was pleased with the results of this visit and the signed agreement, which will ease the exchange of information and will broaden ties between the two countries.

On the Cuban side, CEPEC General Director Mercedes Varona Graupera expressed hope for a successful compliance with the signed protocol, which must familiarize tradesmen from the two nations with mutual business opportunities.

Cuba's exchange with Central American countries amounts to barely $40 million annually, and Panama is its main trading partner in the subregion. Transactions with El Salvador had, for the time being, limited themselves to the sale of certain amounts of Cuban cement.

Chilean Entrepreneurs Express Interest in Investing

PA0408122095 Havana PRENSA LATINA in Spanish 1847 GMT 3 Aug 95

[FBIS Translated Text] Santiago, Chile, 3 Aug (PL) — Andres Vicens, vice president of the Association of Exporters of Nontraditional Manufactured Products (Asexma) from Chile, today expressed Chilean entrepreneurs' interest in investing in Cuba.

Asexma's board of directors met this morning with Raul Taladrid, Cuban vice minister for Foreign Investments and Economic Cooperation, who is on a working visit to Santiago invited by the Agency of International Cooperation.

After the meeting Vicens said that the possibilities offered by the island to investors are very attractive for small- and medium-sized Chilean enterprises specialized in manufactured products.

The Asexma leader said that this has been only a preliminary meeting and that businessmen in this group want more details on all areas with investment possibilities.

Andres Vicens was emphatic when rejecting any possible U.S. pressure for Chilean producers not to do business with Cuba.

Within the framework of free trade, he said, one has to defend not only trade, but the concept of free, and we will clearly defend the sovereignty we have to do business wherever are interests lie.

'Much More Favorable' Economic Outlook Reported

PA0508162095 Havana Radio Havana Cuba in Spanish 0000 GMT 4 Aug 95

[From the "Cuban Economy" segment of the "Evening Information Review" newscast by Guillermo Alvarado]

[FBIS Translated Text] According to a report by the National Statistics Office — the first report of its kind since the 1989 Statistics Annual went in circulation — the nation's GNP declined 34.3 percent over the past five years as a result of the crisis that has negatively affected the Caribbean island.

According to this source, at the end of 1994 the nation's GNP recorded a slight growth of 0.7 percent from 1993, based on 1981 constant prices. This confirms information provided by Cuban officials and experts on a change in the island's economic trends from 1990 to 1994 — trends that indicate the country's activities are picking up.

Just after 1994 ended, Economy and Planning Vice Minister Alfonso Casanova said the economy's downward trend had bottomed out and that the recovery had begun.

The roots of the economic crisis go back to 1989, when, as everyone knows, Cuba lost its main trading partners when the European socialist countries collapsed. It has often been said that this represented a loss of 70 percent of the Cuban market. At that time, a process was initiated to insert Cuba into the world market, but the rules of this market are quite different from those to which the country had become accustomed. This coincided with a tightening of the U.S. economic blockade, and Cuba plunged to its worst crisis in three decades. In 1990, the rigors of the effects of the depression were felt in various economic fields, as well as in the people's daily lives.

Cuba's National Statistics Office has reported that in 1994, the agriculture, housing, forestry, and fishery sectors declined by 4.9 percent; the transportation, storage, and communication sectors by 3.4 percent; while merchant services declined 1.8 percent.

Both within and outside of Cuba, people seem to agree that one important impediment to a speedier economic recovery has been the constant decline in sugar production, which fell below the 4 million metric ton mark in the recently concluded harvest. According to official sources, the 1994-1995 sugar harvest concluded with 3.4 million metric tons of sugar. The resurgence of Cuba's most important economic item will not take place until 1996.

According to the National Statistics Office, the yield of crude oil; the generation of electric power; and production of steel, batteries, fertilizers, cement, lobster, textiles, bread, tires, and cigarettes exhibited growth, but only the crude oil yield was higher than 1989 levels — something experts attribute to an increase in oil exploration and the establishment of new oil fields in parts of the country in cooperation with foreign companies that have invested in exploring for and exploiting oil reserves.

Counting both oil imports and domestic production, in 1994 the island used 7.2 million metric tons — 6 percent more than in 1993. This permitted a 9.7 percent increase in the generation of electricity, which had an immediate effect on the people, who noticed fewer blackouts.

National Statistics Office analysts believe the consolidation of foreign trade diversification, with a geographic emphasis on the Latin American region, and the increase in foreign investments, along with measures to improve the country's financial health, have helped give shape to an economic situation that this time really is much more favorable than in previous years.

Roundup of Economic Developments

FL0708122395

[FBIS Editorial Report] The following is a compilation of reports on Cuban economic developments monitored through 6 August.

The EU has approved $19.5 million in aid to the Cuban public health sector. The resources will be used mainly to buy medicine, medical equipment, and drinking water processing systems. (Havana Radio Reloj Network in Spanish 1405 GMT 31 Jul 95)

A fan factory has been opened in Villa Clara Province through a cooperation agreement with the PRC. (Havana Radio Rebelde Network in Spanish 2300 GMT 28 Jul 95)

Over 270 caballerias of sugarcane was planted in Sancti Spiritus Province in July, fulfilling 79 percent of that month's planting goal. Agriculture Ministry specialists report that July's heavy rains prevented workers from meeting the planting goal of 400 caballerias. (Havana Radio Reloj Network in Spanish 1406 GMT 1 Aug 95)

The Basic Industries Ministry reports an increase in profits and a reduction in losses at 75 percent of its enterprises during the first half of 1995. The report indicates that production of 28 fundamental products increased, while seven entities reported significant decreases in production. The Agriculture Ministry announced profits in the first half of 1995 over the same period in 1994, due to application of measures recommended by the efficiency assemblies, relocation of nonproductive personnel, and other measures. A total of 181 of the 402 agricultural enterprises reported favorable results: 96 reported earnings and 85 reduced subsidies. (Havana Cuba Vision Network in Spanish 1630 GMT 2 Aug 95)

The 1995-96 coffee harvest has begun in Guantanamo Province. The over 36,000 harvest workers involved are paying special attention to the beans' quick ripening, due to the rains from Tropical Storm Erin. (Havana Radio Reloj Network in Spanish 1934 GMT 2 Aug 95)

Cuban agricultural enterprises have reported producing 28 million pesos worth of products up to June. (Havana Radio Rebelde Network in Spanish 1155 GMT 3 Aug 95)

Camaguey Province: The medical donations distribution center has distributed 202,966 pesos worth of medicines and medical equipment received from 12 different countries. (Havana Radio Rebelde Network in Spanish 1155 GMT 3 Aug 95)

Agriculture Ministry Reduces Losses in First Semester

PA0508043195 Havana Radio Rebelde Network in Spanish 1700 GMT 4 Aug 95

[Report by Hernan Bosch from Las Tunas; from the "National Radio News" newscast]

[FBIS Translated Text] The Agriculture Ministry reduced by more than 300 million pesos its losses at national level during the first semester, compared with the same period last year.

Vice Agriculture Minister Eduardo Chao, who is in charge of economic issues, said that losses in the sector during the first six months last year totaled approximately 360 million pesos, while they totaled only 58 million pesos this year.

He added that, despite the remarkable improvement in this important sector, it is necessary to continue working to overcome subjective deficiencies that conspire against the goal of rendering feasible the agrarian activity in the shortest time possible.

Referring to this, the vice agriculture minister emphasized the need to efficiently use the scant resources available and basically assign them to the most productive enterprises, as well as adopting measures that permit seeking feasibility by increasing production in the sector's various branches.

Sugar Industry Building, Harvest Preparation Noted

FL0508150395 Havana Radio Rebelde Network in Spanish 0900 GMT 5 Aug 95

[From the "Doing Radio" program]

[FBIS Translated Text] A sustained increase in the production of cement made of lime and ash over the past few months allowed the Sugar Industry Ministry to construct 1,356 houses in July 1995, almost 300 more houses than in June. A total of 4,454 houses were constructed between January and July, using appropriate technologies [tecnologias apropiadas]. Over 9,000 houses are currently under construction in an effort to meet a construction goal of at least 15,000 houses during 1995.

Havana City's sugarcane sector is working toward a better sugarcane harvest. The Manuel Martinez Prieto sugarcane complex, the only complex in Havana City, is preparing its industrial and agricultural areas for the harvest. Complex workers have finished disassembling and cleaning all machinery and will begin repairs on 16 August. Meanwhile, weeding, planting, and fertilizing efforts continue in the sugarcane fields. Eduardo Chao, vice agriculture minister in charge of finance, has reported that the Agriculture Ministry reduced its losses by over 300 million pesos during the first six months of 1995, compared to the same period in 1994. Chao pointed out that the sector's losses have been reduced from the 370 million pesos recorded during the first six months of 1994 to only 58 million pesos.

PDCH Warns CEP Against Using Party Logo on Ballots

PA0408163795 Port-au-Prince Signal FM Radio in French 1030 GMT 3 Aug 95

[From "The Waking Up Newscast"]

[FBIS Translated Text] The Haitian Christian Democratic Party [PDCH] has issued a protest note concerning its logo. The PDCH is reminding the party's candidates and, in particular, the Provisional Electoral Council [CEP] that on 17 July they were formally banned from using the party's logo in the spurious elections of 6 August 1995, as well as in a possible second round, the party explains in its protest note.

Considering the CEP has decided to disregard this ban by announcing the use of the party's logo on the ballots, we hereby confirm that in case it fails to adhere to the ban, legal proceedings will be initiated against the CEP in the near future in light of this usurpation, given that the emblem is the private property of the party. Also, in compliance with the provisions of the Constitution, the government also will be responsible for this crime and each CEP member will be individually charged, as will all authors, accomplices, and intellectual participants in this abuse of rights, power, and authority, PDCH President Joachim Pierre explained in the protest note.

Demonstrators Support Aristide, 25 June Elections

PA0408202595 Port-au-Prince Signal FM Radio in French 1030 GMT 4 Aug 95

[From "The Waking Up Newscast"]

[FBIS Translated Excerpt] More than 1,000 people demonstrated in Port-au-Prince on the morning of 3 August at the initiative of the Popular Organizations Gathering Power [PROP] and several other organizations as a sign of support for President Aristide and the 25 June elections. One PROP member reported that the demonstration represented a concrete protest against the imperialist system, the high cost of living, and the Michel government for its refusal, according to the PROP member, to meet the people's demands. The demonstrators said their initiative represented a challenge to the 23 parties that called for the cancellation of the elections and the dismissal of the Provisional Electoral Council [CEP], urging them to prove their capability to do as much as them [as heard].

The demonstrators announced their intention of struggling to the end to defend the achievements of the 25 June elections. In their opinion, the concerned political parties are the symbol of the coup d'etat that overthrew the Haitian head of state. They also took a stand in favor of the return of the president from the three years he spent in exile. Slogans were chanted against the leaders of the political parties that are calling for the cancellation of the 25 June balloting, including those from the Nationalistic Progressive Revolutionary Party of Haiti, the Alliance for the Liberation and Progress of Haiti, and the National Front for Change and Democracy. [passage omitted]

New Port-au-Prince Mayor Charlemagne Sworn In, Comments

PA0508043895 Port-au-Prince Signal FM Radio in French 1700 GMT 4 Aug 95

[FBIS Translated Text] The first elected officials in the municipalities of the West Department will be inducted from 4 to 11 August in their respective posts. The first mayor inducted today was Joseph Emmanuel Charlemagne of the commune of Port-au-Prince. The ceremony unfolded in the midst of massive confusion in the presence of some government officials and members of the diplomatic community. Outgoing Mayor Evans Paul has gone unheeded [as heard]. So, there was no transfer of power. It should be pointed out that the ministers of social affairs and interior were absent from this ceremony. The new mayor of the capital has promised to work to improve the well-being of the inhabitants of Port-au-Prince while saying he wants order to reign throughout the city.

[Begin Charlemagne recording] Along with my advisors and a technical staff, I am taking up the challenge that unhealthy living conditions in the capital constitute [words indistinct] in which the population is living. I alone will not be able to change the look of Port-au-Prince. The effort is so big, the work that needs to be done is so immense that it is necessary to call on all the people of good will [words indistinct]. As the mayor of all Port-au-Prince residents, I need the help and assistance of all. (?Next December), the party will be nice as it will bear the imprint of an administrator as well as an artist. The day will come when the capital — thanks to the collaboration of all social strata — will (?do valuable work). At that time, the residents of Port-au-Prince will really be princes, to parody Mr. Weber Sicot who said in one of his songs: In Port-au-Prince, we are all princes. [previous five words in Creole] Thank you very much. [end recording]

This was the new mayor-elect of the Haitian capital, Joseph Emmanuel Charlemagne, mostly known under the nickname of Manno Charlemagne, who was sworn in today in his post at the Port-au-Prince City Hall.

I am reminding you that the induction ceremonies of the mayors of the West Department will take place until 11 August, according to the new president of the Departmental Electoral Office of the West.

Coordinator on NAFTA Accession Talks With Chile

PA0508044095 Mexico City LA JORNADA in Spanish 2 Aug 95

[Following received via Internet]

[FBIS Translated Text] Eduardo Solis, general coordinator for commercial relations with North America, has said that NAFTA will not be opened as a result of accession negotiations with Chile and that "only technical changes necessary for Chile's access to the agreement will be made."

Solis has said: "This is an accession negotiation between Chile and NAFTA, and this is how the four countries understand it."

The official was interviewed on the last day of talks held in Mexico between representatives of Mexico, the United States, Canada, and Chile for the latter's access to NAFTA.

No important result was secured during this first meeting, and the representatives did not go beyond informative exchanges.

Eduardo Solis has said the representatives basically exchanged information and designed a negotiations agenda during this meeting.

Solis has said it became evident during the meeting that there is mutual interest in knowing the various legislations, particularly issues regarding labor, foreign investment, copyright, state purchases, etc., to see how compatible they are with NAFTA dispositions, rights, and obligations.

Asked about what will happen with the Mexican-Chilean Economic Complementation Agreement, Solis has said that this agreement establishes deadlines and that in line with it, most exchange articles will be customs free next year, but this pact will be practically replaced once Chile becomes a member of NAFTA.

Mexico, Venezuela Renew San Jose Agreement

PA0608012195 Mexico City NOTIMEX in Spanish 1743 GMT 3 Aug 95

[FBIS Translated Excerpt] Mexico City, 3 Aug (NOTIMEX) — For the 15th consecutive year, Mexico and Venezuela today renewed the San Jose Agreement, which offers oil at preferential conditions to 11 Central American and Caribbean nations.

The Foreign Secretariat [SRE] said the agreement "once again reaffirms the traditional friendship uniting Mexico and Venezuela and their commitment to continue their joint effort in favor of the development of the Central American and Caribbean countries."

"Starting with this renewal, talks will be held to assess the operating terms of this mechanism, to draft the proposals that will maximize oil supplies to the beneficiary countries, and to promote the use of financial resources," the SRE added.

The San Jose Agreement supplies up to 160,000 barrels of crude per day under preferential conditions to Barbados, Belize, Costa Rica, El Salvador, Guatemala, Haiti, Honduras, Jamaica, Nicaragua, Panama, and the Dominican Republic. [passage omitted]

El Barzon Members Stage Sit-In at U.S. Embassy

PA0408182195 Mexico City Radio Red Network in Spanish 0000 GMT 4 Aug 95

[Report by Norma Vargas from "The Night Monitor" newscast]

[FBIS Translated Text] Some 300 members of El Barzon Movement's Mexico City chapter have staged a sit-in outside the U.S. Embassy in a bid to have a delegation received by Ambassador James Jones. The group of bank debtors wanted to deliver a letter addressed to President William Clinton. The letter is four legal-sized pages long and explains how, in El Barzon's opinion, the sale of the first group of 400 Mexican properties is illegal. The properties will be auctioned off in San Antonio, Texas on 31 August by the U.S. company (La Salle Partners). Because of the tight security enforced by police who cordoned off the east side of the U.S. Embassy for more than an hour, the bank debtors delegation was unable to gain access to the Embassy.

Juan Jose Quirino Salas, El Barzon Movement national president, was interviewed at the main gate. He advised an unidentified U.S. Embassy employee of the following:

[Begin Quirino Salas recording] The purpose of handing you this, despite the impoliteness by the U.S. Embassy, is for you to advise your fellow citizens that they should not take the risk of purchasing any of the properties being auctioned off by Mexican banks. The banks are selling off these properties because they have no money left to lend. Tell them not to risk their money on this and to invest it elsewhere. El Barzon, as well as Mexican society, is aware that our country would be torn to pieces with the sale of these properties. We would lose part of our sovereignty, which is continuously coming under assault, even from your country. Tell them they would be purchasing risk and that they should not dare, because El Barzon will set up human chains to serve as barriers and thereby prevent these properties from falling into foreign hands. [end recording]

Once they delivered the letter addressed to the U.S. President and received confirmation of this from the unidentified employee, the members of El Barzon marched to the Japanese Embassy and then to the National Domestic Trade Bank of Mexico.

Governor Refutes Report on Assassination

PA0508030395 Mexico City LA JORNADA in Spanish 2 Aug 95 p 1

[Letter by Manuel Bartlett Diaz, governor of Mexico's Puebla State, to the director of LA JORNADA in response to a report allegedly incriminating him in the assassination of Enrique Camarena; issued in Puebla on 2 August; passages in italics published in English; following received via Internet]

[FBIS Translated Excerpt] Dear Director: In today's issue and in the "Agencies" section, LA JORNADA published an item about a report published in THE NEW YORK TIMES on 31 July. The report is the second part of an extensive document with a view to questioning U.S. policy in Mexico during the past two administrations.

In this regard, I would like to state the following:

Despite the large number of people indiscriminately mentioned in the NEW YORK TIMES [NYT] report, LA JORNADA singled me out by headlining the item like this: "Bartlett Involved in the Assassination of Enrique Camarena, according to NYT." Both the assertion of this headline and the item's contents are false.

Curiously, this item was published in the same space which, only two days ago, reported on my government's Indian Communities Development Program in Puebla and my stating in public that the struggle against the alienation of the Indians should not take place amid violence or a call for a fratricidal war.

The NYT report, the second part of which was published on the front page, first column, incidentally refers to me in 12 lines, but LA JORNADA devoted 12 paragraphs to the report. Four of those paragraphs referred to me, thus personalizing the subject.

Apart from the report's poor translation, which leads to several false notions, LA JORNADA's accusing approach is wrong, to say the least. The NYT report itself stated that former officials of the U.S. Department of Justice reportedly had "at a certain time considered trying to accuse Manuel Bartlett for the assassination of Camarena. Nevertheless, certain officials have questioned the evidence from telephone recordings, confidential informers, and two former drug traffickers."

In its report, LA JORNADA should have drawn the conclusion, as the NYT did, that there was no evidence to incriminate me. LA JORNADA ignored the NYT's statement that "at one time, the possibility of trying to" incriminate me "was considered." LA JORNADA also ignored the report's assertion that Department of Justice officials had questioned the evidence used in an attempt to involve me. Therefore, the Department of Justice officials themselves formally dismissed the alleged evidence.

The conclusion, Mr. Director, is that although the U.S. Department of Justice did not incriminate me, LA JORNADA did. In addition, in the same report, which states that the Department of State generally dismissed the NYT reports, your newspaper is underlining the fact that the department's clarification did not mention me. That point should also lead LA JORNADA to the conclusion that I am not being incriminated, because my name was not mentioned. The editor of the report suggests, however—as if to read between the lines—that the Department of State "did not at all mention" me, as if it should have.

I am refering to my 25 years of public service to vouch for my honesty in the performance of my duties. I will recall one instance in which U.S. officials, whose opinion concerning Mexicans' interests is so important to LA JORNADA, participated.

Former U.S. Ambassadors to Mexico Charles Pilliod and John N. Negroponte attended my inauguration as governor of Puebla State. Both of them made statements, in response to questions asked by domestic reporters, confirming my honesty and the support I offered them when I was government secretary, during the bilateral agreements, in the fight against drug trafficking. Former Ambassador John Gavin made similar statements.

I am asking you, Mr. Director, to publish this clarification in accordance with the law regulating this matter in the same space and place where my name was published in boldface, incriminating me, because inserting it in the Illustrated Letter section does not comply with the interest your newspaper has show in me and my interest in clarifying this matter.

Cordially,

Manuel Bartlett Diaz.

Constitutional Governor of the State of Puebla.

Editor's note.

In the referent report, Bartlett is mentioned in two paragraphs totaling 22 lines. The text, in English and Spanish, is the following:

Mr. Salinas' first attorney general had been governor of western Jalisco State when Camarena was kidnapped there by traffickers and state policemen. His education minister, Manuel Bartlett Diaz, had been implicated in the case while serving as interior minister.

Former officials have said the Department of Justice at one point considered trying to indict Bartlett in connection with the murder, but certain officials have questioned the evidence, which was obtained through wiretaps, confidential informants, and two former drug traffickers. Others have said any action against Bartlett could destabilize the Salinas government. It was also noted that former officials have said Bartlett in his previous job had helped U.S. intelligence agencies on matters ranging from the activities of leftist groups in Central America to the local operations of the Soviet Union and Cuban intelligence agencies. [passage omitted]

Contests LA JORNADA Translation

PA0708024495 Mexico City LA JORNADA in Spanish 3 Aug 95 p 1

[Letter by Manuel Bartlett Diaz, governor of Mexico's Puebla State, to the director of LA JORNADA; place, date of issue not given — passages in italics published in English; received via Internet]

[FBIS Translated Text] Dear Director: I appreciate the publication in today's issue of LA JORNADA my comments on an article citing a NEW YORK TIMES report on me. The article was published on 1 August in the newspaper of which you are deservingly in charge.

My explanatory comments were published, followed by an "Editor's Note" that included the English transcription of two paragraphs of THE NEW YORK TIMES' report and by three paragraphs in Spanish. One such paragraph is an introduction; the other two are the Spanish translation of the English transcription. The three paragraphs in Spanish in the "Editor's Note" contain mistakes.

The first mistake states that my name "is mentioned in two paragraphs, the number of lines of which adds up to 22." The facts are as follows: THE NEW YORK TIMES devoted 80 lines of its front page, not counting headline, and the five columns on page 4 to this report. Each column has 125 lines; that is, the entire report took up used 705 lines — again, not counting the headlines. Even if we accepted the assessment by the "Editor's Note" that the first paragraph, the most important issue of which refers to the governor of Jalisco State, was devoted to me, and considering only the second installment of the series, THE NEW YORK TIMES devoted 3.1 percent of the report to me. Meanwhile, LA JORNADA devoted its front page headline, two of the three paragraphs on the front page, the banner headline of the note inside the newspaper, four of the 12 paragraphs of the article, and 42 of its 135 lines to me; that is, it devoted 31 percent of its article to me, which is 10 times more than what THE NEW YORK TIMES devoted to me, not counting the headlines.

You will notice, Mr. Director, that there seems to be some overestimation of me.

The two paragraphs translating the English version of THE NEW YORK TIMES report into Spanish essentially distorted the meaning of the original text. The first paragraph refers to me only in its second sentence, and its most relevant part reads as follows: Manuel Bartlett Diaz *had been implicated in the murder....* The translator is unfortunately unaware of English conjugations as he translated *had been implicated* as "was implicated." The translation mistake is absolute. He changed the tense, the person, and the meaning. The tense is English past perfect *(past perfect)*. It is translated as "had been implicated." The "had" is the linguistic element ruling the tense. In other words, the expression refers to a state in which things no longer existed in the past. Barron's defines the use of the past perfect tense as follows: *to refer to an event which was terminated prior to some definite time in the past.* In addition, we are dealing with the passive voice: The statements other people made, rather than my actions, implicated me. Finally, he made the mistake of translating *been* as "being [estar]" instead of "being [ser]," as the context unequivocally indicated it.

In fact, as the next paragraph of the text in question clearly explains it, others, "former drug traffickers," intended to implicate me in the issue in question. This intention was ruled out as having no grounds.

Thus, the translation must read as follows: "Manuel Bartlett Diaz had been implicated..." You must acknowledge, Mr. Director, that translating this expression as "was implicated" is abusive. It is more abusive to have included "Bartlett, Implicated" and "The Newspaper Accuses Bartlett" in the headline and the banner headline, respectively. The second paragraph in Spanish contains unexplainable omissions and distortions.

The text in English reads: *...the Justice Department at one point considered trying to indict Mr. Bartlett in connection with the murder.* LA JORNADA's translation into Spanish reads as follows: "...the Justice Department at one point considered accusing Bartlett of being involved in the murder." The translator omitted a key word, *trying*, which means "to try, to attempt," misunderstood the meaning of the verb *to indict*, and freely included the word "involved."

First of all, without any doubt, what was examined was not even the indictment but an attempt to: *"... considered trying to indict."* In second place, the translator's knowledge of the law seems to be somewhat limited. *"The indictment,"* an indictment is a constitutional guarantee (Fifth Amendment) that is brought before a grand jury that determines if there is probable cause. The BAR REVIEW magazine states that a grand jury *"determines probable cause to prosecute" (Criminal Procedure, p. 26). Finally, the text is severely distorted by transforming the English phrase"in connection with the murder"* with "being involved in the murder."

What the text of report that appeared in the TIMES states, then, is that the Justice Department examined the likelihood of launching a formal inquiry before a grand jury, that could conclude with the filing of charges against me in connection with the case, before a competent judge, not that: "it considered at some time" accusing me of being involved, as is misleadingly translated.

Naturally, when the time came to examine the evidence, this led to the rejection of such a possibility.

Consequently, the translation should have said "...the Justice Department at no time considered filing charges against Mr. Bartlett in connection with the murder." It is quite clear, Mr. Director, that disinformation is the essence of this issue. I would appreciate it if you would publish the text of this letter in accordance with terms specified by law, once again in the same space and place where the original note was published, in other words, on the front page.

Sincerely, Manuel Bartlett Diaz, constitutional governor of the State of Puebla

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Ambassador De Greiff on Antidrug Policy

95WB0053A Mexico City REFORMA in Spanish
3 Jul 95 p 6A

[Interview with Colombian Ambassador Gustavo de Greiff Restrepo by Rodolfo Montes; place and date not given]

[FBIS Translated Text] Colombia's ambassador to Mexico, Gustavo de Greiff Restrepo, advised that national armies not be involved in the battle against the drug traffic, because those institutions are too important and critical to have their prestige jeopardized, considering the "narcos'" great power of corruption.

He accused the drug consuming countries of being the originators of armies becoming involved in the battle to eradicate that phenomenon.

He claimed that it would be most advisable and effective for that battle to be undertaken by specialized, identified groups, so that the corruption could be curbed.

He considers Mexico, owing to its geographical location, an apt place for the drug traffic to produce "obscene" profits that no legitimate business could hope to accrue.

Rather than make accusations on one side or the other, the diplomatic representative urged the nations involved to cooperate closely, so as to make what he describes as a repressive policy against the drug traffic successful.

[REFORMA] What is the Colombian Government's view of the drug traffic's penetration into Mexico?

[De Greiff] I want to explain that I am not speaking on behalf of the Colombian Government here, because I am not familiar with its position on that specific issue. I am speaking only for myself.

To claim that drug trafficking exists in Mexico represents nothing new. This problem is worldwide, and has its correlation with consumption on the part of the societies of the "developed countries," which are misnamed, because that term should not be confined to economic features, but should also include social and legal features. In the countries with the most drug consumption, values such as the sense of patriotism, family, duty toward those less advantaged by fortune: in short, solidarity with our fellow humans, either are nonexistent or have been disrupted by the worship of material goods.

Mexico, geographically located beside the United States, and on an intermediate site between drug producers and exporters, is the suitable place for the drug traffic.

As an illicit activity, because of prohibition, it produces immense, obscene profits that no legitimate business could hope to accrue. It also gives rise to corruption, which is necessary for its development.

Unfortunately, drugs cannot leave Bolivia, Peru, or Colombia without the collaboration of certain police, customs, and judicial authorities, in case some problem arises for that illicit activity. Government officials in general are prompted to look in the other direction when an attempt is made to move capital between the countries of origin, transit, and destination. There is also the assistance obtained from private entities, especially financial institutions.

The economic power acquired by the drug traffickers permeates all social strata. In fact, where the drug traffic exists, there is corruption reaching the most unsuspected levels. This is the most dreadful consequence of drugs.

[REFORMA] What information does Colombia have on the relationship between Colombian and Mexican "narcos"?

[De Greiff] The Colombian intelligence and investigative services have information that, unfortunately, is very sketchy, regarding that collaboration. But it obviously exists. Otherwise, there would be no explanation for drugs arriving in Mexico from Colombia (proven by many interdictions by Mexican authorities), or for their being moved from here to the United States, unless there was complicity with local groups, which from then on assume responsibility for their transport and sale on the consumer markets.

In Colombia, when we have obtained information of this type, it is reported to the DEA [Drug Enforcement Administration], giving them details on the persons, business firms, or trafficking methods, so that they may continue the investigations. If we expect the policy of repression to succeed, there must be greater cooperation between the countries with the largest consumption and the producing nations. Mexico and Colombia should work harder and exchange information, both on individual cases and on the "narcos'" methods of operation.

[REFORMA] How beneficial is it for the Army to participate in fighting the drug traffic?

[De Greiff] I do not advise it, because of the drug traffic's great corrupting power. It is better, and more efficient, for the battle to be waged by highly specialized and identified groups, so as to curb the phenomenon of corruption, and to demand the pertinent liability.

Besides, the mission of an army is quite different from that of discharging police duties. The army of every nation is an institution too important and critical to have its prestige risked in an activity dissociated from its training and its purposes.

Approximately two years ago, under the influence of consuming countries, the notion that the drug traffic is an activity that compromises the national security of every country began circulating. Based on this, an attempt was made to involve the armies of the countries that were suffering from that scourge. But, I repeat, involving them is not in keeping with their nature, nor is it advisable to expose them to the danger of corruption.

[REFORMA] Has Colombia considered making judicial reforms to increase the penalties for drug trafficking?

[De Greiff] As a result of the influence of a consuming country, the idea has been imposed that, for the repressive policy to win, there must be an increase in the penalties for drug trafficking and associated crimes. The important thing is not so much the length of the sentences, but rather the question of the persons to whom they should be applied. What we need, fundamentally, is to improve our investigative methods, so as to obtain the necessary proof, and to give judges sufficient evidence for handing down sentences. At the same time, the police action needs to be improved. In any event, there should be corrective penalties in keeping with the seriousness of the crime committed. However, a fair balance between deterrence and rehabilitation should always be taken into account. I do not advocate a policy that offers a society only the construction of more jails, in order to keep more people in them for a longer time. I see no future for a policy conceived in this way.

There are also consuming countries that set penalties more severe than those established in our criminal codes. Yet they have not proven sufficient to deter the commission of those crimes.

If we want the policy of repression to win, it is essential, instead of accusing each other, that those of us on all sides cooperate to become more effective.

El Salvador

Defense Minister on Meeting With Nicaraguan Counterpart

PA0508123195 San Salvador EL DIARIO DE HOY in Spanish 1 Aug 95 p 5

[FBIS Translated Text] Some of the topics reviewed by Generals Humberto Corado and Joaquin Cuadra, defense ministers of El Salvador and Nicaragua, respectively, include solving the problems experienced by subsistence fishermen in the Gulf of Fonseca, integrating Central American armies, struggling against gunrunning and drug trafficking, and searching for Salvadoran investors for projects in Nicaragua.

Cuadra, leader of the recently named "Nicaraguan Army," which is comprised of 14,000 members, has said yesterday's meetings were satisfactory.

The Nicaraguan general has said he was received by Salvadoran President Armando Calderon Sol on 29 July.

During the meeting, they analyzed the possibility of encouraging El Salvador's private sector to invest in Nicaragua, because the country's general trend is a consolidation of the peace process and the strengthening of democracy.

Cuadra agreed with Corado on the need to calmly discuss the problems experienced by subsistence fishermen in the Gulf of Fonseca. The Salvadoran fishermen are frequently captured by the Nicaraguan Navy. He added that the conflict of interests arises when Salvadoran and Honduran subsistence fishermen enter Nicaragua's territorial waters looking for shrimp larvae.

"The governments have agreed, through their Foreign Ministries and naval forces, to set up signs 2 km off the coast and to maintain a clear border line. A binational commission is working on this matter," Cuadra has said.

He has said that although the issue was hardly discussed at the meeting, the work will be followed up at the Foreign Ministry level in a constructive manner.

Cuadra believes the topics reviewed at the Guatemala meeting clearly demonstrate the need to carry out a regional integration process among the armies, because "the process is reflected at various political and economic levels, the reason why the integration of the armies must occur," he has said.

Cuadra has said operational efforts will be coordinated to fight drug trafficking, gunrunning, the trafficking of illegal aliens, terrorism, or any criminal manifestation threatening the stability of the Central American countries.

"In general terms, mechanisms will be sought to strengthen the measures and determinedly carry out actions to fight crime," Cuadra has said.

He has recalled that situations have arisen in the past and that they are being investigated, referring to bands that steal vehicles and weapons smuggled from Nicaragua.

The officer has said the weapons "probably" come from Nicaragua, adding that a sizable number of those weapons are in the hands of civilians illegally.

Cuadra has also said Nicaragua's National Police chief has received a list from the National Civilian Police (PNC), including a general description of the weapons, in order to accurately ascertain their source.

More on Meeting

PA0508031295 San Salvador LA PRENSA GRAFICA in Spanish 1 Aug 95 p A-6

[Report by Gerardo Lopez]

[FBIS Translated Text] Nicaraguan Army Commander in Chief Joaquin Cuadra yesterday met with Salvadoran Defense Minister Humberto Corado to discuss the possibility of strengthening and promoting a new type of relationship between the Salvadoran and Nicaraguan Armies, which have been estranged for the past two decades and have been characterized by the violence of the war conflicts.

"We cannot speak of economic and political integration without a closer relationship between the Armed Forces. From what concerns us, we are ready to take the necessary steps and are confident we can meet our peoples' demands for unity," Cuadra said.

During his four-day visit to our country, Cuadra on 29 July met with President Armando Calderon Sol and businessmen, whom he asked to review the possibility of investing in Nicaragua.

The Nicaraguan Army became estranged from other regional armies after the Sandinists overthrew President Anastasio Somoza and came to power in 1979. At that time, the Sandinists were accused of promoting and supporting rebel movements in El Salvador and Guatemala.

Cuadra acknowledged that relations between both armies have not been good and that, on the contrary, they have been "tense." He admitted he personally knows very few of the Salvadoran officers.

Cuadra extended a formal invitation to General Corado to visit Nicaragua. Corado accepted the invitation and said he would request authorization from the president.

Among other issues, Cuadra and Corado discussed drugs and arms trafficking and the problems confronted by fishermen from both countries at the Gulf of Fonseca, for which a treaty could be signed.

Cuadra said investigations are being carried out to disclose the source of the arms shipment recently confiscated from a band of car thieves in El Salvador (Benedicto's band).

Corado said Cuadra's visit demonstrates that Central America has changed, because the circumstances in both nations are not the same as they were 20 years ago. He said the Nicaraguan Armed Forces is a professional institution at the service of the people, adding that the Sandinists' past actions cannot be forgotten, because they were closely linked to the Salvadoran conflict, but "we have to reconcile differences and look forward to the future if we want to build a stable and progressive society."

FMLN Leader Criticizes Defense Ministers' Summit

PA0408200595 San Salvador Radio Cadena Sonora in Spanish 1730 GMT 2 Aug 95

[Report by Mario Lozano; from the "Sonora Newscast"]

[FBIS Translated Text] In the face of the various changes taking place within Salvadoran society, trends of thoughts continue to persist that seek a return to the past and this can be observed by the various forms of repression that workers are subjected to when they protest government-imposed measures. According to FMLN [Farabundo Marti National Liberation] leader Jorge Shafik Handal, it is because the country lacks a consolidated democracy and, to the contrary, the intention is to establish an authoritarian regime.

[Begin Handal recording] We favor a democratization process in the country and it only occurs to archaic people that there can be no demonstrations in a democracy. There is an entire world that calls itself democratic, which is full of demonstrations, of people's expressions. Precisely, here lies the difference between an authoritarian and a democratic regime. In a democratic regime the people can express themselves. To convert every demostration into a confrontation with police is part of the policy that Mr. Hugo Barrera is applying.

For example, why were the trucks bound for San Salvador stopped? Let us suppose that trucks full of ARENA [Nationalist Republican Alliance] members were on their way here. Do you believe that Hugo Barerra would have gone to stop them and deny them the right to travel in the country? Do not go following the mentality that seeks to maintain the country in the past.

In the first place, Barrera was not able to prove his statements to the effect that he had documents and who knows what else. It turned out not to be true. No evidence. What good did it do? That is a problem that need to be solved. We told them, look, there are two ways of focusing on the country's problems. One, is an ideological speech [two-second break in reception] are manipulating these people. There are people who still believe we are at war and in confrontation, and heavens knows what, and deliver an ideological speech. There was someone who delievered such a speech and we listened. This is one way of looking at things, just as you have said. This is the typical speech.

The other way is to say, well, what are they requesting? Why are they protesting? What are the problems? What solution can be given? And the meeting, following an initial scuffle, came around to this second point of view. We began analyzing case by case and when doing so it became apparent that first, problems could be resolved; second, that it was not true what was being said in the propaganda. Not everything being said in the minister's propaganda was true. [end recording]

Another topic the FMLN political leader expressed his concern over was the region's intention of using the Army to fight crime and drug trafficking.

[Begin Handal recording] We are concerned over the agreement reached by the defense ministers in the United States of involving the armies in persecuting drug trafficking. This is something that is completely wrong and illegal and it is unconstitutional in our country.

What is openly being sought here in El Salvador is a way of returning to authoritarianism. Barrera would like authoritarianism to be in the hands of the police and that he head this process. There are probably some military officers who want to return to military authoritarianism. But be that as it may, they would have to violate the Constitution. One has to wonder, how can they so calmly say these things can be done when the laws and the Constitution clearly establish that this is not possible? [end recording]

According to Handal, making believe that there is manipulation behind labor protests is a mockery for the workers' own dignity because the FMLN leader believes the people are reaching a high degree of social maturity, which forces them to demonstrate against whatever affects them. Therefore, the government cannot justify brandishing the argument that the FMLN manipulates all the country's social sectors.

Guatemala

Minister: Gen Rios Aware of How Resources Administered

PA0508231895 Guatemala City Teleonce Television in Spanish 0400 GMT 2 Aug 95

[From the "Telepress Newscast"]

[FBIS Translated Text] Defense Minister General Mario Enriquez said today that General Efrain Rios Montt is fully aware of how resources are administered within the Army, so the Congress president's statements regarding defense spending are baseless:

[Begin recording] [Enriquez] Expenses for salaries and assignments have been checked and corroborated. They have been legally executed. There are no irregularities. Some suspicion is normal, but, luckily. things have been handled correctly, as in the case I just mentioned. I do not believe we can be accused of being involved in any mismanagement, much less by someone who is fully aware of how things are handled in the Armed Forces.

[Unidentified reporter] Are you referring to Rios Montt?

[Enriquez] Correct.

[Reporter] According to recent quotation figures [words indistinct]

[Enriquez, interrupting] Look, I cannot quote something like the wages I am going to pay the soldiers. Wages are included as operational costs, not investment costs or anything of the sort.

[Reporter] What about advertisement expenditures?

[Enriquez] We have not used one penny from the national budget or tax revenues to pay for our advertisement. I reiterated this point on several occasions. The Comptroller General's Office has already established the veracity of this allegation.

[Reporter] The general also contends that the Defense Ministry allows itself to be used to transfer funds and to undertake purchases, because there are no specific or adequate controls....

[Enriquez, interrupting] Well, if he says so and is certain of what he is saying, then I would appreciate it if he could expand further on the issue. As far as I am concerned, I can say, after being defense minister for the past two years, that I am fully aware of how the defense budget is handled, and I can honestly say that 90 percent of this budget is directed to cover operational expenditures. Unfortunately, this is a poor Army, one that has outdated equipment and is poorly equipped.

[Reporter] Will you request that Rios Montt expound on the information further?

[Enriquez] I personally have nothing to ask him nor have I paid any attention to what he has said. [end recording]

Urges Police To Prevent Worsening of Crisis

PA0508232895 Guatemala City Teleonce Television in Spanish 0400 GMT 4 Aug 95

[From the "Telepress Newscast"]

[FBIS Translated Text] Defense Minister General Mario Enriquez has issued an appeal to National Police workers, urging them to prevent a worsening of the internal crisis in the corps, because this action would jeopardize the normal carrying out of its activities to guarantee public safety. Enriquez has said the Army would be ready to intervene should a general strike be decreed in the National Police:

[Begin recording] [Enriquez] First, I would like to tell whomever is encouraging the actions of the police not to do so due to the police's importance, goal, or duty for the benefit of the Guatemalan people. That does not mean, however, I disagree with their request for an improvement in their living conditions. Never. I could never disagree.

I wish the state were capable of providing what they want without having to decree a strike or violent demonstration. What I said — and I am reasserting it — is that I believe and have always thought state agencies, particularly those that have weapons, should not have so much freedom to the point of decreeing strikes or participating in demonstrations.

By doing this, not only are they failing to fulfill their duty, which is very noble, but having weapons.... [pauses] I believe all those who have weapons should be obedient and nondeliberating, but it does not mean they have to neglect their needs.

[Unidentified reporter] Would the Army intervene at a given moment?

[Enriquez] Not at a given moment. The minute we learned about the police's demonstration, attitude, or position, we prepared to intervene if public order is disrupted. The National Police is responsible for maintaining control and guaranteeing the safety of the Guatemalan people, both their personal safety and the safety of their possessions. As I said, if the police fails to fulfill its duty—this is not something we want—the Army, logically, is prepared to provide protection for the people at a moment's notice. [end recording]

Official Negotiator Expects Cease-Fire Before Nov

PA0608134295 Guatemala City Televisiete Television in Spanish 1900 GMT 1 Aug 95

[From the "Channel Seven News" Newscast]

[FBIS Translated Text] Official negotiator Hector Rosada Granados has said that two meetings with the guerrillas are expected to continue with talks on the socioeconomic issue. He is optimistic over achieving a cease-fire before the November elections.

[Begin Rosada recording] Starting with the idea that the two documents did not generate a basic foundation to continue to negotiate and debate, their contents need further development for a debate on the standpoints of the two parties. If the government explained the standpoint that even though social sectors have the right to be able to explain their demands at the negotiating table, the work of the negotiators is to show the ability to make a summary by including these sectoral demands in a document contemplating national interests. I believe this is a basic issue. The idea is not to reach an agreement favoring certain sectors, but to attempt to reach a socioeconomic and agrarian agreement that would really contribute to start resolving the country's major and old problems.

Another important aspect is that we decided that we will have two working meetings before continuing to debate and develop the agreement. The first meeting will be held from 16 to 19 August, and the second meeting will be held from 28 to 31 August. [end recording]

Rosada hopes that before the November elections, we will conclude the issue of the end of the armed conflict by reaching a general cease-fire agreement .

Finance Minister on Salaries Earmarked for Advisers

PA0508035695 Guatemala City SIGLO VEINTIUNO in Spanish 1 Aug 95 p 4

[FBIS Translated Excerpt] Of the 112 million quetzals the government is said to have assigned for the salaries of advisers, the government has earmarked 55 million quetzals for the Defense Ministry to pay for the services of those hired under Description 0-91—that is, those who are on the government's payroll—Finance Minister Ana de Molina said yesterday.

Molina and President Ramiro De Leon Carpio tried to justify their actions with regard to the advisers and presented recent figures that indicate, pertaining to the wages for services under Description 0-79, a progressive increase.

Molina said contracts for this type of work amounted to 13 million quetzals in 1990, 12 million in 1991, 23 million in 1992, 40 million in 1993, and 56 million in 1994.

All of these figures are included in the budget that has been presented to Congress and that has been approved as a mechanism to contract services, she said. She mentioned the case of her ministry, in which contracts for personal services are made under Description 0-79 due to a congressional decision to cover oversight responsibilities.

The organization's auditors were contracted under Description 0-79, because posts under Description 0-11 have been frozen as a result of measures to promote savings within the government. This gives the first mechanism the advantage of setting up contracts that expire on 31 December and that do not bring about an employee-employer relationship. [passage omitted]

After recalling the minister's explanations, De Leon Carpio said this point confirms this affair is all a smear campaign against him based on groundless accusations, given there is no proof to prove the soldiers are advising him.

He has said recent polls indicate the attacks are coming from a disgruntled political group, adding that it is not his fault the group's presidential candidate was rejected or that the media are publishing polls. These are no reasons for this group to take revenge against him by tainting his honesty, De Leon Carpio concluded.

Honduras

Reina on Armed Forces News Conference

PA0408183195 Tegucigalpa Voz de Honduras Network in Spanish 1145 GMT 4 Aug 95

[Report by Danilo Izaguirre]

[FBIS Translated Text] President Carlos Roberto Reina yesterday checked on the project in the Nacaome River Basin in the Pespire region in Choluteca Department. President Reina outlined his satisfaction over the progress achieved in building this project, which will resolve drought problems in the country's southern region.

On this occasion, we asked him about his views regarding the news conference given by Honduran Armed Forces Commander General Luis Alonso Discua Elvir, who said categorically that Hondurans must respect the Constitution, set hatred and rancor aside, and place their feet firmly on the ground.

Here is what Reina said:

[Begin Reina recording] The Armed Forces news conference was a major [word indistinct]. The Armed Forces are defending their position; they are servants of the state; and they [words indistinct] in the most important decisions adopted during the Cold War. However, this does not rule out the possibility that if a member of this or any other institution, within the context of that harsh and difficult period, committed a crime, that person will ultimately have to face justice. Honduras has made a transition from a system that permitted impunity, irregularities, and chaos to a new style of government — one that supports a state of law in which the application of the law [one-second break in reception] from the highest-ranking government official to the most humble public employee.

This is why I believe this new conference had two fundamental aspects. First, it underscored the institution's esprit de corps, which means that all members of the organization feel united with any fellow in distress. Honduran women also voiced their solidarity in light of the arrests of Foreign Ministry officials and other government officials, which is a perfectly logical stand. This is not a prejudgment, but solidarity. If some of these people believe the arrested people are innocent, they are entitled to say it. However, the judicial branch will have the last word. The judicial branch will establish the truth of whether those people are guilty. What we are forging is a culture conducive to living under a state of law. [end recording]

President Reina dismissed the claim that only one sector — namely, the Armed Forces — is being hounded.

[Begin recording] [Reina] The argument that only one particular group is being hounded is not true. Everyone will have a chance to defend himself. The interrogations are very professional and [word indistinct], and they are being conducted by experts.

Honduras endured a series of abuses — a dirty war and covert operations — which appeared on the front page of newspapers worldwide for a long time. We are now ending this phase and entering a new one within the framework of a state of law. Honduras exists under a state of law in which justice must prevail. Consequently, there is no reason to become overly concerned, because the law [two-second break in reception] had been responsible [two-second break in reception] during this difficult period in Honduran history will have to answer for their wrongdoing or their [word indistinct].

[Unidentified reporter] Concerning your tour to check on the project in the Nacaome River Basin, there has been mention that only San Lorenzo will reap benefits. Langue is also part of Valle Department, as well Gualcoras, Alianza, and other communities. Why have not you mentioned the benefits these communities will receive?

Also, private enterprise is concerned because there are rumors that accusations filed in the courts are quite serious. To what extent will the declassification of the information requested from the United States by Leo Valladares [National Human Rights Commissioner] expose the real culprits for the missing persons and the names of those who participated in ideological campaigns in this country?

[Reina] You have referred to three important topics. First, concerning your complaint about my omission of Langue, I should tell you that whenever Comayaguela is not mentioned, I also complain. We are citizens who have a great love for our native land. I assure you the oversight was not out of contempt [words indistinct].

Second, with regard to the declassification of the documents, this is an international issue that concerns both Honduras and the United States — a well-organized Anglo-Saxon country in which a great deal of information becomes public knowledge after a certain time. This contributes to guarantee order and truth regarding criminal cases, among other things.

I believe this procedure will shed light on the truth of all of the events that have taken place in Honduras. We should not be afraid, much less those Hondurans who have a clear conscience. [Word indistinct] cannot prejudge, just as judges cannot discuss pending trials under their jurisdiction [words indistinct]. The judges might complain that the media are pressuring them to say things, but they — and I stress this — cannot disclose any information regarding pending trials. We hope justice will prevail, improve, and become increasingly more expeditious, respected, and more in keeping with legal norms.

[Reporter] What about private enterprise's concern over...

[Reina, interrupting] There is no reason to be concerned. We are trying to guarantee legality. We have faced accusations recently because of our attempt to guarantee legality. Our endeavor has not been easy, because Honduras became used to a culture of disorder, which has harmed us and which we are trying to eradicate. [end recording]

Meanwhile, the commander in chief of the Honduran Armed Forces was categorical when he spoke about the deployment of armored personnel carriers on the streets of Tegucigalpa.

[Begin Reina recording] They gave us an explanation, and I am supporting what they said. This deployment was part of ceremonies they will be holding today or tomorrow, and this is their reason. When the commander in chief issues an order, it will not involve just one or two armored personnel carriers. [end recording]

Rights Commissioner on Army Officers Linked to Drugs

PA0408121695 Tegucigalpa LA TRIBUNA in Spanish 1 Aug 95 p 11

[FBIS Translated Text] National Human Rights Commissioner Leo Valladares Lanza disclosed yesterday that he had known about the charge linking officers of the Armed Forces with drug trafficking activities since March.

Saying that drug trafficking is the cancer that eats away at society and that many human rights abuses are committed in an attempt to cover up the illegal drug trade, Valladares stated that the Armed Forces should investigate those charges and urged the authorities to intervene in this matter.

Any civilian or military official involved in the fight against drug trafficking should conduct thorough investigations to establish the truth of the accusation, the official asserted.

"We cannot allow the authorities themselves to promote drug trafficking. The Armed Forces, as any other institution that turned out to be involved in this, have the direct responsibility of guaranteeing the correct application of the law," he added.

Valladares recalled that on a certain occasion, he received a note from Johnny Bodden, who was facing a dangerous situation after receiving death threats.

"He gave detailed information on links between drug traffickers and several prominent military officials and members of the Public Security Forces," he pointed out.

"We reviewed this accusation in detail and with much attention, and we sent it to the DIC [Department of Criminal Investigation]," he added.

He explained that the responsibility of the human rights commissioner is not to investigate criminal acts but to prevent any human rights violations. However, in the said case, the organization gave protection to Bodden because he was in a perilous situation.

Valladares said he has a detailed statement of events and circumstances linked to drug trafficking activities. In spite of this, he refused to discuss any details so as not to interfere with the investigations being conducted.

"There is a very thorough list of officers who are implicated in this case," he remarked after stressing that Bodden did not give him a written list, but he supplied a complete list of people in his testimony.

He noted that the organization is seeking a way to protect the right to make charges on criminal acts without fear of reprisals of any sort.

Meanwhile, he said he does not know of any attempt upon Bodden's life.

According to Valladares, Bodden is linked to an organization that fights drug trafficking, the reason why he is familiar with the way drug trafficking operates in the country, particularly in San Pedro Sula.

"The DIC must corroborate and investigate Bodden's extensive statement," he pointed out.

Migration Director on Preventing Illegal Aliens Smuggling

PA0608022095 Mexico City NOTIMEX in Spanish 1854 GMT 2 Aug 95

[FBIS Translated Text] Tegucigalpa, 2 Aug (NOTIMEX) — A government source announced today that Honduran authorities have reinforced their operations to prevent the smuggling of illegal aliens within Honduran territory and to dissolve the gangs carrying out this type of activity.

Migration Director Angelina Ulloa, whose office is under the jurisdiction of the Government Ministry (Interior), told NOTIMEX "we are interested in cracking down on the gangs of smugglers more than chasing illegal aliens."

In recent months, the Honduran police have arrested an undisclosed number of illegal immigrants from several countries trying to use Honduras as a necessary stepping stone on their way to the United States.

Last Sunday, 14 Nicaraguans were arrested. Each one paid $42 to be taken from the El Guasaule border town to El Amatillo, on the Salvadoran border. The police also arrested six Honduran "coyotes," alien smugglers, at that time.

In another covert operation last month, 14 Indians were arrested and later deported to the country of origin. The Indians had paid Gloria Canales, a Peruvian living in Costa Rica, for the trip.

Ulloa said "we are dealing with networks that have connections in each of the Central American countries."

Honduras has only eight customs and migration checkpoints along the border it shares with El Salvador, Nicaragua, and Guatemala. The smugglers "use several blind spots, which make control operations even more difficult."

The migration director said there is continuous coordination between the Criminal Investigations Directorate (DIC), Interpol, and the Public Security Force (Fusep), with a view to cracking down on illegal alien smuggling networks. She said they were also receiving assistance from other countries along the isthmus.

Communication equipment has been installed in each country, thanks to aid from the International Migration Organization (DIM). Each migration office is linked together, "something which will make the transfer of information faster and easier," she added.

According to details Ulloa provided, the alien smuggling gangs are also connected with gunrunning activities, drug trafficking, and car thefts. They have enormous logistics facilities and can even interfere with communications.

Depending on the country through which they are moving, they also resort to the forging of public documents. Migrants sometimes pay up to $3,000 for false official papers.

Migration officials confiscated more than 400 forged Honduran passports in 1994. Ulloa said, however, there have been fewer seizures this year because the smugglers have improved their systems.

The official did not discard the possibility that these organizations have infiltrated the Honduran migration offices. She has ordered the Attorney General's Office to carry out inspections to verify whether the directorate's personnel are involved in the illegal practice.

Minister on Disbursement of 700 Million Lempiras From IDB

PA0608021895 Tegucigalpa EL PERIODICO DE HONDURAS in Spanish 1 Aug 95 p A-4

[FBIS Translated Text] Tegucigalpa — Even though the Inter-American Development Bank (IDB) will disburse 700 million lempiras, this does not mean all the funds approved by that international organization will be spent, Economic Minister Fernando Garcia Rodriguez has said.

Garcia Rodriguez has said the government will not increase its foreign debt with the last disbursement because this program is one of approvals and not of signed contracts.

He added that a third agreement with the Paris Club is being negotiated in which the country's foreign debt will be renegotiated or at least mechanisms will be sought so that the debt payments do not hurt the economy.

He has said a debt for nature swap has been negotiated with the IDB to prevent an exaggerated growth in debt in addition to the holding of negotiations with multilateral banking organizations.

Garcia Rodriguez has said the intent is to alleviate the debt burden by obtaining financing through the Special Operations Fund instead of regular resources that are granted for shorter terms and at higher interest rates.

The official has said the only way to ensure that the 700 million lempiras will be used properly is to act correctly, without changing or concealing information.

Nicaragua

Chamorro Comments on U.S. Decision To Support Cooperation

PA0508014195 Managua Sistema Nacional de Television Network in Spanish 0200 GMT 3 Aug 95

[From the "National Newscast"]

[FBIS Translated Text] President Violeta Chamorro has reaffirmed her conviction that the people and governments of the world, including the United States, love Nicaragua. She has stated this remark in reference to the U.S. Government's decision to ignore the Helms amendment, which calls for cutting U.S. aid to Nicaragua, and to support cooperation:

[Begin recording] [Chamorro] I have never stopped believing that the countries of the world, Europe, the United States, love Nicaragua. You can see how the U.S. Government and people have approved aid for Nicaragua after all that has been said and done, meaning the U.S. people and government love Nicaragua.

[Unidentified reporter] Are you prepared to resolve problems?

[Chamorro] What problems?

[Reporter] The problems they have mentioned; that is, properties, etc.

[Chamorro] Darling, that is why I am here! I have been looking since 1990 for ways to resolve all the pressing problems in this country. I said a short time ago that it will be a good idea to suspend the obligatory military service. I do not know where you were when I said this statement. Aren't you aware of how many property wars and all types of problems we have had here?

As I said a long time ago, I would have never become involved had I known what I was getting into, but I am doing it with pleasure now and will continue to do so, with my head high and all my love, for Nicaraguans. [end recording]

Foreign Minister on U.S. Economic Aid Decision

PA0508004095 Managua Sistema Nacional de Television Network in Spanish 0200 GMT 3 Aug 95

[From the "National Newscast"]

[FBIS Translated Text] Despite pressure from certain Republican senators, the Clinton administration has told the U.S. Congress that economic aid for Nicaragua will not be cut even if Nicaraguan property cases involving U.S. citizens have not been resolved. He has said Nicaragua needs funds in order to continue resolving property problems.

Nicaraguan Foreign Minister Ernesto Leal has commented on this decision by the Clinton administration:

[Begin Leal recording] We are very happy with the decision of the administration of President Clinton to apply the exception prerogative to continue providing U.S. aid and assistance to Nicaragua. Why are we happy? This decision represents acknowledgment for the effort by the Nicaraguan people and government to consolidate democracy in our country.

We believe that at this moment, just as we are consolidating a most important democratic process, any suspension of aid or any threat that that aid could be suspended or denied could endanger the achievements of five years of government. [end recording]

General Cuadra on Relations With Salvadoran Army, U.S.

PA0508004195 Managua Sistema Nacional de Television Network in Spanish 0200 GMT 3 Aug 95

[Report by Clara Elena Siria from the "National Newscast" — passages in quotation marks recorded]

[FBIS Translated Text] The Nicaraguan Army has initiated relations with the Salvadoran Army. In addition, Nicaraguan General Joaquin Cuadra has announced the appointment of military attaches in several countries and has commented on military relations with the United States. Clara Elena Siria has the details.

[Siria] The recent visit by Army Commander General Joaquin Cuadra to El Salvador marked a historic moment for Nicaragua:

[Cuadra] "This meeting was not one to reestablish relations, because they had never existed. This meeting was to establish relations based on the new situation in Nicaragua and El Salvador."

According to General Cuadra, Salvadoran Defense Minister Humberto Corado will visit Nicaragua in October to strengthen these relations. Cuadra has said Nicaragua's participation as an observer in the naval maneuvers in the Gulf of Fonseca and its participation in the meeting of defense ministers of America, in the United States, are part of an effort to strengthen international relations:

[Cuadra] "A different—let us say—position was stated there. There was absolute backing for the hemisphere's legitimate, important, and vital needs, taking into consideration each country's peculiarities as well as the size and strength of the armed forces in each country."

Cuadra has said the government this year will appoint military attaches to the United States, Canada, Mexico, Honduras, El Salvador, and the Inter-American Defense Board. Regarding military relations with the United States, he has said they are becoming normal:

[Cuadra] "We can say now that relations are not bad, although we cannot say relations are excellent."

He added:

[Cuadra] "True, we are interested in these relations, and this point is a political objective. We are not desperate about it, however, and have no illusion that normal military relations with the United States will result in us receiving uniforms."

Communique to Property Claimants

PA0408143895 Managua EL NUEVO DIARIO in Spanish 30 Jul 95 p 7

[Communique issued by the Nicaraguan Finance Ministry in Washington D.C. on 21 July; published as a paid advertisement]

[FBIS Translated Text]

Attention, Foreign Nationals Who Have Property Claims With the Government of Nicaragua Communique

To facilitate and expedite claims for properties expropriated between 19 July 1979 and 25 April 1990, the Government of Nicaragua has signed and ratified an International Arbitration Agreement with the ICSID [International Center for Settlement of Investment Disputes], which went into effect on 19 April 1995.

To use the International Arbitration System, a foreign national claimant must present an "Arbitration Request" in writing to the Finance Ministry within 90 days of exhausting administrative recourses within the Republic of Nicaragua, **in accordance with the conditions established by the "Arbitration Consent" described later on.**

A claimant must wait 90 days after submitting an "Arbitration Request" to give the Finance Ministry one final opportunity to negotiate a satisfactory agreement.

Temporary Provision:

To expedite the implementation of this procedure, all foreign national claimants who have exhausted administrative recourses by 21 July 1995 are authorized to directly present a "Petition To Submit to Arbitration" to the ICSID. Explicit and prior consent from the Government of Nicaragua is not necessary.

Arbitration Consent

1. Subject to the terms and conditions established within this document, the Republic of Nicaragua agrees to appeal to the ICSID for an arbitrated solution, in accordance with the agreement signed on 20 March 1995 on the Settlement of Disputes Related to Investments Between States and Nationals From Other States, as well as in accordance with the Legislative Laws Applicable to Arbitration Procedures (Arbitration Rule), in relation to compensation claims filed voluntarily by foreign nationals for properties expropriated by the Republic of Nicaragua between 19 July 1979 and 25 April 1990.

2. The consent included in Paragraph 1 will not apply in the following cases:

A. When a claimant has failed to submit a compensation claim for properties expropriated by the Republic of Nicaragua between 19 July 1979 and 25 April 1990 before 31 December 1990 to the National Commission for the Revision of Confiscations [CNRC] of the Attorney General's Office in this country.

B. When a claimant has accepted some form of compensation or settlement with the Republic of Nicaragua.

C. When a claimant has not exhausted all administrative recourses extant within the Republic of Nicaragua, or when the claimant has not waived the use of options available for a second round of administrative recourse and voluntarily submits to this arbitration procedure.

D. When a claimant has not submitted an "Arbitration Request" to the Republic of Nicaragua's Finance Ministry within 90 days of exhausting administrative recourse within the Republic of Nicaragua. This excludes claimants who, having exhausted all administrative recourses on the date of this arbitration agreement, present a "Petition To Submit to Arbitration" to the ICSID before 15 November 1995.

E. When a claimant does not present a "Petition To Submit to Arbitration," stating his willingness to present his claim to the ICSID's jurisdiction no later than one year after this "Arbitration Agreement" is presented by the Republic of Nicaragua.

F. If a claimant fails to agree to a formal and irrevocable legal renunciation of his rights to present his claim before any international forum of a legal, administrative, or legislative nature; before any jurisdiction, including Nicaraguan jurisdiction; before the claimant's national jurisdiction; or before any other foreign or international jurisdiction.

3. If a claimant expresses in writing to the Finance Ministry of the Republic of Nicaragua his willingness to submit to the legal arbitration of ISCID, the Nicaraguan Government will have a 90-day period in which to reach a solution that is satisfactory to the claimant regarding his claim. If the 90-day period lapses and a settlement that is satisfactory to the claimant has not been reached, the claimant may present a "Petition To Submit to Arbitration" to the ICSID.

4. To be legally accepted, the "Petition To Submit to Arbitration" submitted to ICSID by the claimant should include:

A. The claimant's name and address.

B. A detailed description of the property in dispute.

C. A report providing the basic facts and the right to claim, as well as proof, in the claimant's opinion, that adequately and incontestably demonstrates the existence of the right being claimed.

D. The approximate amount of the compensatory claim.

5. In general, the Arbitration Tribunal will include three arbiters selected by the ICSID secretary general, who also is authorized to select from among these arbiters the president of the tribunal. This does not include cases in which the parties agree to directly elect the Arbitration Tribunal or authorize the ICSID secretary general to select one sole arbiter.

In case the two parties agree to designate the Arbitration Tribunal themselves, they may select one sole arbiter by mutual consent, or a tribunal of three arbiters: one to be designated by the Republic of Nicaragua; another to be named by the claimant; and the third arbiter, who will serve as the president of the tribunal, to be designated by mutual consent of the two other arbiters.

In cases in which these two arbiters cannot agree on the designation of a third arbiter, the third arbiter will be designated by the ICSID secretary general.

6. All Arbitration Tribunals constituted according to this arbitration agreement must enforce the laws, decrees, or any other regulations in force in the Republic of Nicaragua at the time the ruling is issued.

7. All Arbitration Tribunals constituted according to this arbitration agreement will determine, subject to the terms of Paragraph 4, whether the claimant has the right

to compensation for the claim he has made and the amount to be legally compensated. The amount to be compensated as determined by the Arbitration Tribunal will be paid according to the provision of the laws of the Republic of Nicaragua in Decrees 51-59, 56-92, and Law No. 180, which establishes the method for compensation. The decision of the arbiters will be considered to be executed when the compensation has been made in keeping with the amount established by this tribunal, and in accordance with the methods established by the laws of Nicaragua. The Arbitration Tribunal will not have the power to order any other method of compensation. Likewise, the Arbitration Tribunal will not have the power to consider damages related to loss of profits or indirect damages that might be related to any claim.

8. The two parties, in all arbitrations conducted under this arbitration agreement, must pay their own expenses and legal fees. The cost of the arbitration process, including administrative expenses and the legal fees of the arbiters, must be paid in equal parts by the two parties.

9. All arbitrations conducted under this arbitration agreement must be carried out at ICSID Headquarters in Washington, D.C., United States.

[Dated] Washington, 21 July 1995

For More Information

ICSID. 181 H. Street, N.W. Washington, D.C. 20433, United States. Telephone: (202) 477-1234. Fax (202) 477-1269.

Embassy of the Republic of Nicaragua. 1627 New Hampshire Ave., N.W. Washington, D.C. 20009. Telephone: (202) 939-6572/73.

Consulate of the Republic of Nicaragua in Miami. Telephone: (305) 220-6900/03.

In Managua: Deputy Ministry of Property of the Finance Ministry. Telephone: 28-5582, 22-7062.

Panama

Government Minister Interviewed on 4 Aug Demonstrations

PA0408170195 Panama City TVN Television Network in Spanish 1525 GMT 4 Aug 95

[Interview with Panamanian Government Minister Raul Montenegro by Ricardo Samaniego at the Legislative Assembly in Panama City — live]

[FBIS Translated Excerpt] [Samaniego] Good morning, viewers. We are now at the Legislative Assembly with Government and Justice Minister Raul Montenegro. Mr. Minister: On the events that are taking place in the country, would you give us your opinion regarding security and the actions taken by the National Police?

[Montenegro] Early this morning some citizens were able to get to their workplaces easily. In some areas of the city, especially away from the center of town, everything is normal. There are a few critical areas in which some demonstrators have resorted to violence. We deplore this and would like to take advantage of this transmission to call on all citizens to reflect and to consider that it is not through violence that one shows the truth, and that it is not through violence that one can make one's ideas prevail.

We believe that following these incidents, the country, and especially Panama City, will get back to normal and the Legislative Assembly will begin its discussions as it should, within an atmosphere of political maturity and with the presence of all the legislators here in the Legislative Palace, and that this project will be carried forward as indeed it should.

[Samaniego] Which are the more critical areas? What information does the government and justice minister have regarding the capital city?

[Montenegro] As the general public has been able to see over television, the critical points are the area of Balboa Avenue and the area of Tumba Muerto where traffic has been blocked. This is not the right way to do things, thus, we have to enforce the law so that nobody's right to free transit is restricted.

[Samaniego] Mr. Minister: Has private enterprise called on the National Police for protection with regard to any specific incident?

[Montenegro] We have received requests from some companies and from owners of construction companies, who have asked for protection from the National Police and the authorities because the demonstrators, along with troublemakers, are using their constructions as shelters. These people feel that their properties are in jeopardy, and want the authorities to take action in this regard.

[Samaniego] There are reports that a student was injured in the area of the National Institute. Is this true, Mr. Minister?

[Montenegro] We have not heard anything about this. We would like to reiterate to the people of Panama that the Perez Balladares Government wants the country to continue in a state of law. Everyone has the right to demonstrate, but without violence and without trampling on the rights of other citizens.

[Samaniego] Mr. Minister: It has been charged from the area of the National Institute that the riot police are wearing helmets and bearing shields but are dressed in civilian clothes. Can you tell us why?

[Montenegro] I came here straight from the government and justice ministry, but I was able to see some riot control personnel in uniform guaranteeing the right to free transit on Avenida de los Martires. I do not know anything about police units in civilian clothes.

[Samaniego] Is there any solution to all of this, Mr. Minister?

[Montenegro] Yes, I believe so. I believe that the vast majority of the Panamanian people know how flexible the government is. I would like to take advantage of this opportunity to express public recognition of Labor Minister Mitchell Doens, who has conducted this issue — that is a very sensitive issue to both businessmen and workers — in a calm manner, giving everyone the opportunity to participate. From the very beginning we knew that no one was going to be 100 percent happy whatever the outcome. However, today the majority of the articles presented — 82 percent, as the labor minister pointed out — have been agreed upon by all the parties involved. I believe this is the way in which Panamanians must face the challenge of the future, which is a bright one for Panama.

[Samaniego] [Passage omitted] [Former President] Guillermo Endara said today that the police are acting of their own volition. Are you in charge of this, Mr. Minister, in charge of public order?

[Montenegro] This is a serious government that has demonstrated coherence in the way it works. Former president Endara as well as the public in general can rest assured that the government team is very mindful of its responsibilities and works in an orderly manner and according to hierarchy.

[Samaniego] Thank you, Mr. Minister.

Commerce Minister Warns of Economic Fallout From Strike

PA0408185895 Panama City Telemetro Television Network in Spanish 1730 GMT 4 Aug 95

[Report by Omaira De Leon Watson from the "Telemetro Reports" newscast]

[FBIS Translated Text] Commerce and Industries Minister Nitzia de Villarreal has said the current strike will adversely affect the country's economic growth and its ability to attract new investments.

[Begin De Villarreal recording] A strike at this time will only engender negative effects on the economy, aside from the irreparable losses resulting from the country's tainted image.

We are working on an international level to attract investments, and one thing that is greatly influencing foreign investors, particularly those we have already spoken with, is the labor strike. I think we should reflect on this, because workers will not only lose one day of salary, but they also will harm the economy. In turn, in terms of a number of sectors, such as banana production in which we already have serious international problems, a problem such as this will further complicate matters. [end recording]

Meanwhile, the Legislative Assembly continues the second reading of the controversial Labor Code reform bill.

Labor Ministry Assesses Nationwide Effects of Strike

PA0408192495 Panama City Telemetro Television Network in Spanish 1730 GMT 4 Aug 95

[From the "Telemetro Reports" newscast]

[FBIS Translated Text] A press release issued by the Labor Ministry provides an account of the strike situation throughout the country.

In Bocas del Toro Province, the banana plantations are conducting business as usual. The ports, factories, and public services are also operating normally. Independent banana producers have not joined the strike. However, at Plantation No. 41, the strike has been effective.

In Chiriqui Province, the Pepsi Cola Bottling Co. Labor Union, which earlier had expressed support for Suntracs [Single National Union of Construction and Related Workers], is working normally. Commerce and construction in the city of David, Chiriqui Province, is normal.

In Puerto Armuelles, the independent banana plantations are operating normally with the exception of the Santa Elena Plantation, which is on strike because of a list of demands presented to the banana company — demands unrelated to the Labor Code reforms.

At banana plantations belonging to the Chiriqui Land Co., the strike has been effective, as we said earlier, but it is not violent because workers are remaining in their homes.

In Chorrera, the only company that stopped working is the Maribel tile factory. All other activities are reported normal in Chorrera.

In Cocle Province, activities are normal. In Colon Province all vital activities are reported normal. Very few construction sites have stopped their activities. Workers at Cement Panama are reportedly assessing the possibility of joining the strike.

In Herrera and Los Santos Provinces, the situation is normal, while in Veraguas the Pademi [expansion unknown]) labor union issued a communique rejecting the Suntracs strike; activities are normal.

This has been a press release issued by the Labor Ministry, describing how the strike situation has evolved in the country.

PDC Leader: Government's Measures Will Deepen Crisis

PA0708000895 Panama City EL PANAMA AMERICA in Spanish 6 Aug 95 p A-9

[Report by Teofilo A. Gonzalez]

[FBIS Translated Text] "The measures adopted by the current government will deepen the ongoing crisis or recession, because in its drive to obtain more resources from international financial organizations it is sending a message of discord and confrontation that does not help attract new investments to the country," Camilo Brenes, vice president of the Christian Democratic Party (PDC), has said.

"There are labor rules that certainly must be amended, because the provisions and decisions must be more flexible in order to respond to the new challenge of global markets. We have to keep in mind, however, that the activities of the forces of the market must abide by the primordial commitment of meeting man's needs," Brenes added.

In his opinion, "the series of changes the government is promoting in the country, purportedly to boost it, could lead to gridlock, because they may produce a climate of instability that is harmful to the national economy."

"The PDC has always proclaimed the principle of social justice, and not just as a political slogan. He have spoken in favor of a social market economy and not just a market economy, which is something different," Brenes has said.

The PDC vice president has affirmed: "We believe the bill on the environmental impact is another provision that, as with the labor changes, does not meet its objective."

Arnulfist Party President on Attack Against Workers

PA0708042795 Panama City EL SIGLO in Spanish 6 Aug 95 p 8

[By Eduardo Bartuano S.]

[FBIS Translated Text] Chitre — I believe all Panamanians condemn how the poor workers were attacked yesterday (Friday, 4 August), Mireya Moscoso de Gruber, president of the Arnulfist Party [PA], has said. She has said such police actions bring to mind the 21 years of military government in this country when one watched on television how tear-gas canisters were hurled at workers who staged demonstrations.

"We thought the workers had every right to protest if democracy in Panama was not in danger in the hands of this government. They believe there should be no change to the Labor Code. We also have opposed and will oppose it, but we know they have a steamroller in the assembly and are going to pass it anyway. They do not care if four, five, or 20 people have died," the president and presidential candidate Mireya de Gruber has said.

She added that the arrogant government will continue as it is until the year 1999, when the Panamanian people will issue their verdict.

Asked about the decision to approve the Labor Code reforms in block, the PA president said "the decision to approve them in block is because they want to pass the reforms over the weekend. They know that if they debated it article by article, they would take too long, and they want to approve it over the weekend. That is where we see the arrogance of the government and of the assembly. So what can we in this country expect of the government? What is in store for the Panamanians?"

Mireya de Gruber said they have been issuing communiques rejecting the reforms for more than three months. They knew that what happened on 4 August in the capital of the country would happen. The PA will continue opposing anything that goes against Panamanians. It is important to note that during the first two days of the strike called by the labor leaders against the Labor Code reforms, the strike has not been effective in the Azuero Peninsula, where everything is calm.

Column Supports Government Actions Against Strikers

PA0508170295 Panama City EL SIGLO in Spanish 5 Aug 95 p 2

[From the "Forum" column]

[FBIS Translated Text] Benito Juarez set forth a premise for centuries to come — a premise that says peace is the respect for other people's rights. Democratic governments, including our own, closely abide by this rule, maintaining an equitable balance of what constitutes the boundaries of individual rights, without allowing the rights of one group to violate those of others.

Striking, as a means of union struggle, is a right our laws recognize. Based on this, the government permitted labor unions to carry out certain activities yesterday as a means of collective expression, under the clear leadership of the Single National Union of Construction and Related Workers.

However, while the striking unions were allowed to assemble members at specific locations in Panama City, the organizers permitted (and we prefer to believe they did not recommend) certain actions that obstructed the free movement of those who were not part of their job action. This prevented many people from getting to work or running personal errands, which surely included seeking health care, food, and perhaps cash with which to procure these same things.

The abusive, disrespectful intrusion cannot and must not be tolerated. This forced the authorities charged with guaranteeing freedom of movement to employ measures in accordance with the degree of abuse by the strikers. Tear gas was chosen to suppress the most extreme actions, given that it is more effective and less harmful than police batons or lead, which have been used so often in the past.

This then must serve as a lesson that none of the parties in the dispute should use any means other than dialogue. If they should choose a different path, it must respect the rights of others, in light of the fact that this continues to be a guarantee of social peace.

Argentina

'Extreme Measures' Against Unemployment Seen

95SM0449A Buenos Aires (Internet) Argentina Gopher in Spanish 24 Jul 95

[Commentary by Danuel Naszewski: "Unemployment Makes Postponed Labor Flexibility Unavoidable"]

[FBIS Translated Text] As usual, Argentina always winds being forced to make hasty decisions about matters that its politicians, labor leaders, experts, and businessmen cannot resolve in good time on their own. Just as the Mexican crisis wound up causing a major run on the banks, one of the consequences of which was a bloody shakeout in our oversized financial system, the quick passage of the bankruptcy law last week showed that the 18.6 percent unemployment rate may, in one way or another, bring unavoidable progress toward more flexible labor laws, a move that has been put off for years. It will also force the Economy Ministry to find some way of again reducing employer contributions as soon as possible, in order to cut companies' labor costs so that they are encouraged to create new jobs in a context of low demand and high costs.

Therefore, one of the fears is that the pressure on the administration to do something about the distressing situation of 2.2 million jobless people will lead to extreme measures, the kind that solve nothing but convey the impression that things are indeed being done. The fact is that the arguments, accusations, and proposals that we have been hearing in recent days reflect a startling inability to grasp the underlying reasons for this unusual jump in the unemployment rate, which peaked last May owing to an external factor, the Mexican crisis and its local impact, an impact that the opposition is trying to play down and the administration to play up. The General Confederation of Labor's proposal to suspend layoffs is as unworkable as the Argentine Industrial Union's suggestion that wages be cut sharply, the macroeconomic impact of which would be lower consumption, lower revenues, and more unemployment. The cold, hard numbers show that it was the administration's extremely bad luck that the employment poll was conducted in May and October, as it has been for years. And although unemployment in Argentina was going to be rising with or without the Mexican crisis, we must acknowledge that the poll was taken at the worst time for the economy in the past four years. When FIEL [Latin American Economic Research Foundation] today makes public its figures on industrial output for the second quarter of the year, they will confirm that it fell not much more than four percent from the same quarter in 1994. And although many may not admit it, the drop is unquestionably due to the local impact of the Mexican crisis and would have been worse were it not for the export boom. The sudden recession can clearly be explained by the withdrawal of foreign capital, which began in February of last year with the rise in U.S. interest rates, a withdrawal that was dramatically complicated by Mexico's devaluation.

If we leave aside, however, the additional factor in the May poll, the bulk of Argentine unemployment has nothing to do with either the Mexican crisis or the recession that it caused. In any event, unemployment worsened in April and May for these reasons, just as the jobless rate in Mexico doubled in the first half of the year. The graph on this page [graph not reproduced] shows that economic growth in recent years took place against a paradoxical backdrop of declining demand for labor. If anything is to blame, then, it is the positive development that Argentina began emerging from decades of technological obsolescence and disorganized production, from years of welfare payments disguised as government jobs, and from marketing methods that were extremely costly to consumers, and began moving without delay toward competition (a word that was almost outlawed in the Argentina of the past). This administration is to blame, perhaps, for not having admitted in time that a period of temporary unemployment was foreseeable and for failing to prepare a safety net in advance so that the problem would not cast doubt on the virtues of its model, which is what is happening at present.

Why did Cavallo and company, who knew that a reconversion would necessarily cause temporary unemployment, fail to take precautionary measures to deal with the 18.6 percent jobless rate? Because Argentine society, and especially its smug leaders, only take action when situations reach extremes and there is no choice but to take action. The problem is that the risks are much greater at that point. The proposals we have been hearing these days show as much.

'Model' for Privatizations Criticized

95SM0449B Buenos Aires (Internet) Argentina Gopher in Spanish 24 Jul 95

[Commentary by Claudio M. Chiaruttini: "The Model Used in TGN Would Be Applied to the Rest of the Privatizations"]

[FBIS Translated Text] Not all the news was bad for Domingo Cavallo last week. He did better than expected on at least one issue, the sale of 25 percent of the shares in Transportadora de Gas del Norte (TGN) that were in state hands. Nevertheless, the new system that has been tried out in this almost private offering of shares raises many doubts.

Last Friday, the U.S. firm CMS Gas, a subsidiary of the CMS Energy Group, won the public bidding for Transportadora by offering $141,599,000, which was more than the base price of $107 million, 32 percent more than had originally been decided, and almost 10 percent below the price that had been expected on the market after the agreement to pipe gas from Loma La Lata to Chile.

But the Economy Ministry was so happy that Amalia Martinez, who was in charge of organizing the sale, asserted that "the good reception from investors and the good prices offered will help the upcoming sales of shares in gas and electric power companies, because they show that people are interested in Argentina."

The Economy Ministry seems to be forgetting that in the sales of Telefonica de Argentina, Telecom, and YPF [Government Oil Deposits], demand exceeded supply 20- or 30-fold. This time, only 11 sets of information for bidders were sold, and three offers were made. It is also true that this was the first sale of shares after the tequila effect, but it was dwarfed by the sales in Brazil and Chile.

The other two bids came from the Soros group and the TGN itself. The local representatives of the Hungarian investor wanted only one of the five blocks on sale for $22.7 million, while the current partners of Transportadora bid $132.9 million, $9 million less than the winning bid, for all of the stock up for sale.

We will now have to see, however, whether a secondary market for the shares develops. The stock will be quoted on the Securities Market as of today. There are minority shareholders (equivalent to 16.5 percent of capital) who might take advantage of the difference in share prices (almost $1.56 compared to the $1.21 set by the underwriters).

But whether there is a secondary market matters little. Cavallo seems to have more confidence in these quasi-private offerings than in the traditional national and international public biddings. So much so that today it will be announced who is to advise the administration about the way in which the electric power company shares in state hands are to be sold off. Moreover, Martinez asserted that "we hope to continue in early September with the sale of 20 percent of the shares in Gas-BAN," thus demonstrating that the Economy Ministry would rather have money in its pocket than a real capital market.

Bolivia

New Senate, Chamber of Deputies Leaders Elected

PY0408142995 La Paz Radio Cadena Nacional Network in Spanish 1100 GMT 4 Aug 95

[All figures as heard]

[FBIS Translated Text] The Chamber of Deputies ended its session at 0400 this morning. The list of new Senate leaders was learned well before. Juan Carlos Duran Saucedo was re-elected president of the Senate with 18 votes. Guillermo Rosso Mendieta obtained 16 votes and was elected first vice president, while Valentin Abecia obtained 18 votes and will be second vice president.

Walter Zuleta Roncal obtained 17 votes and was reaffirmed in his post as first secretary. Freddy Tejerina Rivera was elected second secretary with 18 votes, while Horacio Torrez obtained the support of 17 senators and was elected third secretary.

In the Chamber of Deputies, Guillermo Bedregal Gutierrez was elected new president during a session that ended at 0400 this morning. This session was filled with incidents: At about 2230 last night, the voting was even between Bedregal and Eudoro Galindo.

This happened because at first there was only one government candidate, but Galindo also decided to run given the good support he received from the Chamber of Deputies. This caused an adjournment because the government deputies were apparently voting with ballots that were already marked. After the adjournment, during which new ballots were distributed, a second session was held that lasted until 0400. Here is my colleague Richard Lopez who was present during the session. He can give us further details. Good morning Richard, who are the board members of the Chamber of Deputies?

[Begin Lopez recording] The new list of leaders is as follows: Guillermo Bedregal was elected president with 72 votes. Gonzalo Barrientos was elected first vice president with 80 votes; Alfonso Ferrufino was elected first secretary; Alfredo Romero was elected second secretary; Edith de Mantilla was elected third secretary; and Luis Sanabria was elected fourth secretary. [end recording]

Hope: Meeting Will Help Peace, Prosperity

PY0508022095 Cochabamba LOS TIEMPOS in Spanish 31 Jul 95 p A10

[Commentary by Samuel Mendoza]

[FBIS Translated Text] The important defense ministerial meeting of 34 countries of the Americas held in Williamsburg, Virginia in the United States of America, is now over. This was an important meeting because it served to analyze the mission that the Armed Forces of the Americas must carry out on the eve of the 21st century.

We all know that for most of the world, the end of this century is marked by the demise of the "Cold War," which began right after World War II and lasted through the 1980's. For more than 40 years humanity lived with the Sword of Damocles (nuclear war) hanging over its head, and nations spent approximately $900 billion on increasingly more sophisticated, deadly, and destructive weapons. Once the Cold War was over following the collapse of the communist threat, people started thinking about the possibility of an era of absolute peace, national development, and well-being for the people. This, unfortunately, has not turned out to be the case. Other enemies that must be fought have appeared.

Even now formidable military actions are taking place all over the world, leaving in their wake an appalling, lamentable, and outrageous toll of hundreds of thousands of dead and injured, including children. These wars must cease as soon as possible. But there are other potential enemies that must be eradicated as well. Extreme poverty — which plagues one-third of the world's population — is undoubtedly one of the worst evils of our times because it is accompanied by unemployment, malnutrition, hunger, illiteracy, and post-partum and infant mortality, all of which lead to unrest and violence. There is also the drug trade — which in some countries joins forces with guerrillas and terrorists — and its scores of thousands of casualties, including children, youths, and adults, men and women all over the world.

How can the Armed Forces of the Americas fight these enemies and win? The United States proposed six principles to the other countries represented at the meeting. Some of them have to do with the Armed Forces' participation in development projects, as is the case in Bolivia. There was a proposal requiring the Armed Forces assistance in drug enforcement. Some of the defense ministers, including the Bolivian defense minister, do not believe that the Armed Forces should become involved in drug enforcement, unless the police are overwhelmed. In the end, the defense ministers of 34 countries of the Americas promised to shore up democracy, and to strengthen peace and social and economic development "by providing security attained through a new approach to mutual relations marked by openness, cooperation, and trust."

The reports state that the defense ministers discussed, behind closed doors, democracy, openness, cooperation, military spending cuts, "the new world order," cooperation and support for drug enforcement, and the peaceful solution of conflicts.

It is probable that "behind closed doors" they also discussed the "size of the Armed Forces" and the reasons why certain countries, including Chile and Peru, spend enormous amounts of money on arms, as if they were getting ready for war. Why do they do it? They most probably did not say why. There has been some talk about cooperation. If that was the case, this cooperation should focus not on arms, but on the ways and means to build peace based on the well-being of the people. We would like to believe that is what the proposal dealing with cooperation for social and economic development is all about.

We are sure that a lot more will be said about the Williamsburg military meeting. We will be watching for repercussions.

Daily Says Armed Forces May 'Disappear'

PY0408233795 Cochabamba LOS TIEMPOS in Spanish 1 Aug 95 p A7

[Commentary by Urbano Campos: "A New Role for the Armed Forces?"]

[FBIS Translated Text] I am going to refer to a taboo issue that not even the most daring political analysts raise; namely, the good possibility that the Armed Forces, within the context of the new Latin American realitv, will disappear as an institution that "guards the fatherland."

A couple of years ago it was said that a plot, organized by the United States, was allegedly being prepared to systematically and somewhat hastily reduce the budget earmarked for the Army. The recent military summit organized by the United States in Williamsburg affirmed the existence of such a plot and turned what seemed a secret into an open and public announcement: The national defense ministers' resolutions will precipitate the Armed Forces' disappearance. The Armed Forces may be replaced by "peace-seeking armies." In other words, this means army personnel will assume the role of policemen safeguarding order and peace among the citizenry.

It may sound ironic, but international communism, terrorism, planned to destroy the praetorian guard of the established order. This objective, however, would not be attained by them but by imperialism, which, during the "Cold War," had given the Armed Forces all the necessary weapons, under the pretext of the "national security" doctrine that was charged with seeking and identifying the "domestic enemy."

But Uncle Sam now has a sound argument: Since the phantom of communism has disappeared, there is no longer any reason to continue sacrificing a good portion of the economic aid, earmarked for the poor countries, to maintain the military apparatus. Everyone agrees that the budget should give priority to urgent needs in the health, education, and other social sectors, rather than being used to make bombs and to threaten democratic stability.

This is a controversial issue because it is directly linked to the fate of democracy, especially when one wonders whether or not the military will accept disappearing or having its personnel become corner policemen who go around guarding social order, armed with a truncheon or, at most, a plain revolver.

In Guatemala the military have found a way to survive by engaging in private business and becoming awful "disloyal competitors" for the Guatemalan businessmen. Thanks to the communist guerrillas, the Army and businessmen reached an agreement to defend each other. God created them and the "red" devil brought them together. Now that the reason for this agreement has disappeared, they both "pull in different directions."

In Bolivia, some groups of young officers have revived the old project of a "productive Army" as the most creative and rational way of rescuing this institution from disappearing. However, there are still the more conventional Army officers who continue to uphold the doctrine of "national security," at a cost the master is no longer willing to finance.

Prefects Role Under Decentralization Explained

95SM0442A La Paz PRESENCIA (Reportajes Section) in Spanish 2 Jul 95 p 5

[Report on interview with Hugo San Martin, under secretary of the Interior; date and place not given]

[FBIS Translated Text] Hugo San Martin Arzabe, under secretary of the Interior, said that the Popular Participation Law has transformed the status of the prefects from that of mere "decorative figureheads" in departmental government by restoring to them the "power" they had in years past. This enables the prefects to play a new role in their respective jurisdictions, he said, and to prepare for the coming decentralization process.

San Martin believes that returning power to the prefects will improve and strengthen the efficiency and effectiveness of the public administration in each region and strengthen relations between the grass roots organizations and their associations, on the one hand, and the organs of government.

"The prefects of the departments," he said, "will in this way be able to supervise and coordinate between their respective departments, on the one hand, and on the other hand the various deconcentrated and/or decentralized governmental organs and the representatives of the various ministries and national secretariats. The overall purpose of the prefects is to plan and carry out the integral development of their respective departments."

San Martin explained that the prefects will be in charge of departmental coordination, including interinstitutional functions in the following areas: administrative districting, cooperation among political and administrative units, territorial regulations, health, education, sports, culture, local roads, small-scale irrigation, and investment. "Relations between every public institution in a department—including the municipal governments—and the national government," he said, "will be conducted through the agency of the departmental prefecture, acting in its capacity as an indispensable administrative jurisdiction."

"Praefectus,'" he explained, "was the name given to military authorities in ancient Rome, and it was also the designation applied to the first political and administrative authorities at the departmental level in our nation beginning with the Constitution of 1826, which declared: The supreme civilian governmental authority in each department shall be vested in a prefect.' The functions of the prefects were prescribed by law. The legal instrument that described in detail the functions of the prefects was the Law of 3 December 1888, promulgated during the government of Aniceto Arce. Under this law the prefects held the position of Superintendent of Mines and Agriculture, and in their capacity as commandants-general commanded the troops of military garrisons and the police of their respective departments, with the result that they had extensive functions in many different areas.

"These functions were gradually restricted, however," he said. "The military regions were placed under the command of their respective division commanders, followed by the creation of superintendencies of mines that were placed under the authority of a centralized power. The prefects became decorative figureheads in their departments, and their remaining functions were of little importance."

Departmental Councils

San Martin pointed out that under the government's proposal, the departmental councils will be constituted into collegial organs for consultation and for overseeing the functions performed by the prefects. Each council would be composed of one citizen per province—to be elected by the members of the municipal councils of the respective provinces of the department—and by two citizens chosen by the members of the municipal council of the departmental capital.

"The functions of the departmental councils," he said, "will include drafting the annual budget submitted by the prefect; making recommendations concerning the disposition of requests and priority concerns of the departmental capitals, provinces, and districts; overseeing the performance of the prefect; and so forth. The prefect must consult with the council before taking any decision, in particular with regard to the budget, public works agreements and contracts, and so forth."

"Local Government"

According to San Martin, decentralization has been adopted by the Sanchez de Lozada administration as a means of upgrading the suburbs vis-a-vis the cities by putting into practice the ideal of "local government," based on the principle that the closer government is to the citizen the more visible and aboveboard it will be. Two indications that the process of decentralization has already begun are, in his opinion, the Reform of the Political Constitution of the State and the Popular Participation Law, which allocates resources to populations that were being stifled by hegemonic urban centers.

"Decentralization," he concluded, "is in practice a system of administrative organization whereby—in a permanent process—the Executive Branch transfers jurisdictions that are not its exclusive responsibility either to the departments or to the municipal governments in a gradual, continuing, and progressive manner."

The Prefects and Their Functions

I. Political Constitution of the State [CPE] (Internal Regulations)

Article 109. In the political and administrative area, the Departmental Government shall be under the authority of the prefects, who shall represent the Executive Branch and have under their authority the subprefects in the provinces and the magistrates in their respective districts.

The functions of these offices, the prerequisites for eligibility to hold these offices, and the terms for their occupancy, shall be established by law.

II. Popular Participation Law. Title IV. (The Public Administration and Popular Participation)

Article 25. (Functions of the Prefects, Subprefects, and Magistrates)

Within their respective jurisdictions and competencies, the prefects, subprefects, and magistrates shall promote, coordinate, and support the Popular Participation program and shall exercise and fulfill the rights and obligations that this law establishes and assigns to the grass roots Organizations and the executive branch of government.

III. Draft of the Decentralization Law. Chapter II. (Definition, Appointment, and Functions of the Prefect)

Article 3. (Definition and Appointment)

The prefect is the unipersonal organ serving as the highest political and administrative authority of the executive branch at the departmental level and is appointed by the president of the Republic.

Under the system of administrative decentralization, the prefect has the following functions, in addition to those established in the CPE:

a. To comply—and enforce compliance—with the CPE and all laws, decrees, and resolutions,

b. To exercise the legal representation of the executive branch at the departmental level.

c. To preserve domestic order in the department.

d. To prepare and implement the departmental Economic and Social Development Plans in accordance with the standards of the National Planning System, within the framework of the overall Plan for the Economic and Social Development of the Republic.

e. To prepare, plan, and implement the departmental public investment programs for roads (except for those of municipal jurisdiction), irrigation, rural electrification, tourism promotion, research, and projects carried out jointly with the municipal governments in accordance with the standards of the National System for Public Investment.

f. To administer, supervise, and control the human resources destined for utilization in the areas of education, health, social welfare, sports, culture, tourism, and roads (except for those of municipal jurisdication), while preserving the integrity of the national systems that provide these services.

g. To prepare the draft of the departmental budget and transmit it for consultation to the departmental council, which shall consider it and subsequently transmit it to the various jurisdictions for approval in accordance with the constitutional prescriptions.

h. To execute the departmental budget and monitor its implementation.

i. To promote the Popular Participation program and channel the requests and reports of the municipal governments and Indian, peasant, and neighborhood organizations through the corresponding agencies of the executive branch.

j. To issue administrative resolutions, sign contracts and agreements, and delegate and deconcentrate technical administrative functions.

k. To rule on administrative petitions that are presented in connection with matters over which the prefect has jurisdiction.

l. To appoint the subprefects in the provinces and the magistrates in the districts, together with their subordinate personnel.

m. To appoint those departmental administrative officials whose appointment is not reserved to other jurisdictions. The number, functions, and manner of appointment of these officials shall be determined and established by means of a supreme decree.

n. To strengthen the management function and the ability to provide administrative services to the municipal governments.

o. To grant the status of juristic person—valid throughout the national territory—to foundations, associations, and civilian firms organized either in Bolivia or abroad, provided they have established a permanent legal residence in this country; and to register the peasant communities, native peoples, and neighborhood councils as juristic persons, within the framework of the provisions of the Popular Participation Law.

p. To register business firms and other commercial entities at the departmental level—through the instrumentality of the appropriate specialized authority and in accordance with the applicable regulations. The registration shall be valid throughout the national territory.

q. To register trademarks, designs, patents, copyrights, and licenses at the departmental level, provided they have been regulated by means of a Supreme Decree. The registration shall be valid throughout the national territory.

r. To encourage private investment.

s. To perform all other functions delegated to the prefect by existing legislation, and any additional functions expressly delegated in the future.

Chile

Official Refutes Speculations on 'Fast Track'

PY0408140995 Santiago EL MERCURIO in Spanish 3 Aug 95 p C2

[FBIS Translated Text] Chilean Foreign Minister Jose Miguel Insulza yesterday explained that by deciding to implement the "fast track" [words spoken in English] in September, the U.S. Congress has not postponed the debate because it was originally set for September.

Minister Insulza issued a press release emphasizing that the visit by a group of U.S. lawmakers to Chile beginning 7 August led some people to believe that putting forward the discussion of the fast track issue would be a good thing to do because the visiting lawmakers would then be able to bring us news.

The foreign minister said: "This could not be done, so the U.S. Congress decided to follow the original schedule according to which the fast track will be discussed in September."

The foreign minister thus refuted speculations prompted by a report from Washington that the Trade Subcommittee of the Ways and Means Committee of the House Representatives had postponed until mid September the so-called "mark-up" [words spoken in English] session, which is a sort of test vote on the possibility of the U.S. Congress empowering the U.S. executive branch to begin trade negotiations with Chile.

Although the official reasons for following the original schedule were the legislative workload and the beginning of the summer recess in the United States, some people speculated that the decision was prompted to some extent by editorials in influential U.S. publications on Chile's domestic political situation arising from the Letelier case.

Government Establishes Priority Programs

PY0508231895 Santiago EL MERCURIO in Spanish 18 Jul 95 p C4

[FBIS Translated Text] The government prepared a document establishing the priorities of its agenda for the second half of this year. In this regard, the goverment insisted on the need to put emphasis again on pending issues, beyond the consequences of the Letelier case and its effects on national policy.

Therefore, steps are being taken at the official level to revive, in terms of public opinion, the issues that are pending, either under study by officials or being debated in Congress.

The government agenda is divided into three areas: political-institutional, social, and economic-production.

The agenda was debated last week with the members of the Coalition of Parties for Democracy to determine the issues that need to be emphasized in the following weeks.

Political-Institutional Area

— Municipal Reform: The municipal reform issue is in first place in the political-institutional area. The issue that was pending in the Senate was cleared last week. A project for the direct and separate election of mayors was discarded. According to the government, the municipal law will become the priority issue for reform by the end of this year.

— Probity: This is the second point of the agenda, and it is related to the issues of the Commission for Public Ethics. They include the projects on probity. Also, an effort will be made to reach consensus with the opposition regarding financing for political parties.

A round of talks with all political parties will be scheduled. To date, talks have been held with the coalition, but if an appropriate environment is not found, no progress will be made on this issue.

Laws can be passed in different ways. There are many bills for debate, and they are divided into three issues: 1) Restrictions on political campaigns and costs; 2) transparency or clearness; and 3) financing for political parties.

Progress will be made regarding the issues on which agreement was reached. This debate could easily fail, as happened on other occasions after some sectors said there are other priorities for the country that come before financing political parties.

The government believes, however, that what the country invests on improving ways to govern is not so expensive in comparison to the benefits that could be obtained. This also has an influence on institutional stability.

— Reform Granting Equal Rights to Men and Women: The third point on the institutional-political agenda is the constitutional reform that grants equal rights to men and women. The bill was already submitted to Congress.

Other political reforms will not be proposed in this period because they would not be viable.

In the case of a reform of the binomial electoral system currently in force, the government believes that if the idea becomes concrete and serious, it would then be willing to discuss it as soon as possible, mindful of and keeping a distance with regard to elections or to the year 1997, when the situation of the designated senators will be defined. There are many groups making calculations about the seats of these senators.

At any rate, the legislative study of the reforms of the electoral system was already made because this kind of electoral reform was contained in the package of constitutional reforms that was proposed last year. Electoral reform was subsequently detached from that package.

Social Agenda

— Education: This issue is essential for the government as part of progress with regard to the social agenda. Therefore, it is waiting for the prompt promulgation of the teachers statute and for the bill on subsidies. Once the law is promulgated, the conflict with the teachers' union will come to an end.

Also, the so-called National Dialogue on Education has received wide support.

— Poverty: Another issue related to the agenda is the program to fight poverty. The policy against poverty is being strengthened and reorganized. The state appropriates vast resources but the people don't realize that a great deal is being done, and this is why it was decided to have focus points and make better use of state resources. In this regard, a communications plan was implemented and the program in some areas will be strengthened in the second half of this year.

— Labor Reforms: The government believes that the reforms being debated are not useless, as pointed out by some opposition sectors, that they are viable and capable of generating support. They are well founded and fulfill the ILO regulations.

After the issue of the powers of the Labor Directorate and the lowering of the retirement age for those who do heavy work are voted on in Congress, the debate will continue on collective negotiations, which is the most conflictive issue.

Health Reform: An agreement was signed between the health minister and the three medical associations last week. The call to fill vacancies within the framework of this agreement was published last weekend.

The agreement between the chemical, pharmaceutical, and dental associations states that the government will send late this month the bill on the reform of Law 15076, which regulates the work of doctors, dentists, and chemists in hospitals.

The work of these professionals is regulated by a legal body that has established promotions for better wages solely on the basis of seniority. The reforms seek to introduce terms regarding commitment and performance.

Economic-Productive Area

The priorities for this area are related to infrastructure. Progress is being made in Congress concerning two bills for reforming the law of concessions and the capital market to allow the participation of the Pension Fund Administration Boards in this area.

Also regarding infrastructure, a timetable was prepared for this year that includes reforms in the companies that manage sanitation, natural gas, and ports.

— Ports: The policy for port administration will be defined soon. President Eduardo Frei will receive the project this week. The port policy has four aspects: The reform of the Law of Emporchi [Port Enterprise of Chile] to change its institutional structure; a policy of concessions of port projects that includes concessions for building new berths and, in some cases, for modernizing old berths; a policy of public investment in piers in the hands of state companies; and a tariff policy.

The port policy has already been studied and an agreement was reached; it requires only approval by President Frei.

— Railways: Once the port bill is sent to Congress, the railroad issue will be emphasized. An interministerial group was just created and it is coordinated by Genaro Arriagada, minister secretary general of the presidency, who will also propose an overall policy to the president.

There is no need for a new law because the current one was reformed last year. The railway system requires a large investment to compete with other means of transportation. A study shows there is a gradually increasing demand for railroad service.

— Sanitation Law and Codelco [Copper Corporation]: The government hopes to have the laws of sanitation companies and Codelco approved by Congress this year. There are no conflicts regarding them.

— Agriculture: Regarding agricultural reconversion, the government does not intend to concentrate only on the 48 measures for agriculture that were announced last March, but to tackle the problem at the source. The problem is that the country continues to have an open development strategy and this demands the reconversion of areas that are no longer productive. It is necessary to evaluate the type of reconversion needed by agriculture, as well as to determine what crops are necessary and which zones should be reconverted.

The government opposes an indiscriminate policy of subsidies.

Daily Warns of Mercosur Protectionist Policies

PY0508021995 Santiago EL MERCURIO in Spanish 26 Jul 95 p A3

[Editorial: "Ties With Mercosur"]

[FBIS Translated Text] It is highly positive that the Chilean Government and Mercosur [Common Market of the South] member countries have expressed the need to promptly achieve an agreement that will allow a fluid trade of goods and services and the undertaking of joint projects. It has been decided to establish a Chilean-Argentine joint commission dealing with Mercosur. The resumption of negotiations on the drafting of the list of exceptions, which will surely result in disagreements, is also expected.

According to Carlos Mladinic, international economic affairs general director, the achievement of an agreement with Mercosur before the end of the year is a difficult but not impossible feat. Mladinic said that although there are no fixed deadlines where negotiations concerning commercial agreements are involved, Chile is interested in establishing a timetable to expedite the negotiation process. As is well known, the preferential tariff rates on Chilean products within Mercosur expire by the end of the year. These preferential rates were established during previous negotiations on commercial agreements that yielded modest results. It will not come as a surprise if, as has already occurred on two occasions, the preferential rates are again extended in December.

Mladinic said that there are no political impediments or lack of will, and that what is missing is a work plan with a clear timetable. This is precisely the key issue because it has been common practice to make promises that are later not kept when economic group interests appear. These are reflected in the lists of exceptions. Carlos Mladinic denied that agricultural industry businessmen are blocking a greater economic opening toward Mercosur, but he added that problems affecting agriculture, a phenomenon that is also affecting other countries, will be taken into consideration. At any rate, Mladinic rejected a new unilateral decision to decrease Chilean tariffs.

In view of this statement and the protectionist attitude upheld by countries such as Argentina and Brazil, which has resulted in the increase of tariffs and quotas, it is doubtful that positive results will be achieved. Chile is handling its ties with Mercosur in a similar manner because it is trying to expand its market rather than to achieve a true increase in trade. Had the governments of the region truly upheld an economic opening and free trade policy, they would have already reduced their tariffs and other trade restrictions. This is not what is being done, however. On the contrary, more emphasis is placed on bureaucratic negotations which give priority to exceptions to free trade rather than measures to expedite it.

Recent disputes at the start of Mercosur and its work proceedings remind us of past failed experiences. ALALC [Latin American Free Trade Association], ALADI [Latin American Integration Association], the Andean Pact, and other regional integration efforts were never able to go beyond the first agreements on issues that could be solved easily. As we have recently witnessed in the automobile industry, protectionist policies to artificially develop an industry have always existed and they continue to exist.

Colombia

Cali Cartel's Miguel Rodriguez Orejuela Captured

PA0608165895 Mexico City NOTIMEX in Spanish 1355 GMT 6 Aug 95

[FBIS Translated Text] Santa Fe de Bogota, 6 Aug (Notimex) — Drug trafficker Miguel Rodriguez Orejuela arrived in the capital city wearing handcuffs and escorted by dozens of policemen. He was captured today during a military operation in Cali in southwest Colombia.

Unwashed and visibly emaciated, the second Cali Cartel leader was presented to local and international reporters, who were waiting for him in the terminal in the capital city from the very moment his capture was announced.

Rodriguez Orejuela, who is suffering from hypertension, was found half-asleep today at dawn in a bedroom at a building in Cali by the Special Joint Command (CEC), a force created to search for drug traffickers.

General Luis Enrique Montenegro, National Police deputy director, said, "He had no weapons, raised his hands, and showed his personal identification card identifying him as Miguel Rodriguez Orejuela."

The National Police deputy director said that the alleged drug leader did not succeed in his attempt to hide in the closet and was caught off guard by CEC members, who surrounded the area to prevent him from evading the police.

Montenegro added, "My men arrived at the 10th floor apartment and knocked the door down."

According to Montenegro, Rodriguez Orejuela was captured without incident while resting with his first wife in the bedroom.

The Cali Cartel is responsible for 80 percent of the cocaine shipments to the United States. The Colombian Government offered 1.5 billion pesos, approximately $1.8 million, for its leader.

Montenegro said, "We are very pleased with this new blow against drug trafficking." Along with National Police Director General Rosso Jose Serrano, Montenegro coordinated the operation to capture the drug trafficker.

Said To Agree to 24-Year Prison Term

PA0408164995 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1500 GMT 4 Aug 95

[FBIS Translated Text] An agreement between the Prosecutor General's Office and the attorneys of Miguel Rodriguez Orejuela is almost ready. The agreement calls for his surrender to justice. According to what Caracol has learned, Miguel Rodriguez Orejuela would be sentenced to 24 years in prison, part of which could be bargained in exchange for his surrender and confession, for information, and for the surrender of assets and properties.

Sources interviewed by Caracol explained that contacts have been going on for two months between Miguel Rodriguez' legal counsel and the Prosecutor General's Office. Rodriguez Orejuela faced a maximum sentence of 18 years in prison with which he could bargain, because he never resorted to terrorism.

However, the Prosecutor General's office said that any bargaining would be based on a 24-year prison term.

The legal team representing Rodriguez Orejuela reportedly accepted the prosecutor general's conditions just hours ago, thus opening the way for bargaining on his surrender and confession, information, and the surrender of assets and properties, based on a 24-year sentence.

Rodriguez Denies Samper Accepted Payments

PA0608172195 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1506 GMT 6 Aug 95

[Report by unidentified studio reporter and Carlos Ruiz and Saul Salazar, at the National Police Directorate]

[FBIS Translated Text] [Reporter] We have some important information obtained by Caracol newsmen from officers who were in charge of moving Miguel Rodriguez Orejuela to the place where he was presented to the media. Caracol has reported that in a dialogue with one of the officers who participated in this operation, this officer said that Miguel Rodriguez Orejuela told him that Santiago Medina is a liar, that the 40-million-peso check given to Medina formed part of a payment for four works of art purchased from Medina.

According to the statement given to Caracol by the officer, whose name and rank we cannot reveal, Rodriguez

Orejuela said that President Samper is an honorable person.

What has just been said at the National Police Directorate corroborates the position adopted by Miguel Rodriguez Orejuela the moment he was captured, a position he ratified before the media. Please continue reporting from the National Police Directorate, Carlos.

[Ruiz] Yes sir, you reported it and we have just confirmed the information here with police officers, especially with one who was very close to Miguel Rodriguez. The president of the Republic is an honest man, Rodriguez said, according to the officer. Rodriguez affirmed: I have not given money to anyone. What Medina said is a lie. The officer spoke a word we cannot air, but this is the brief statement made by Miguel Rodriguez Orejuela before being taken away from the site where he was presented to the international and local media by the National Police. Go ahead, Saul Salazar.

[Salazar] Right, Carlos. We were close to the site where Miguel Rodriguez Orejuela was and we were able to hear what he said. He said: The president is an honest man. Rodriguez Orejuela said he has not given money to anybody. He spoke in very vulgar terms about Santiago Medina. He said Medina is a lying you know what. We cannot air that word from Caracol.

At this moment calm is returning at the National Police Directorate.

Police Director Describes Arrest

PA0608223595 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1511 GMT 6 Aug 95

[Telephone interview with Rosso Jose Serrano Cadena, director general of Colombia's National Police, place not given, by Caracol News Director Dario Arizmendi in the network's studios in Santa Fe de Bogota—live]

[FBIS Translated Excerpt] [Passage omitted] [Arizmendi] Was Miguel Rodriguez Orejuela about to enter the hideout alone or with his first wife, Amparo Arbelaez?

[Serrano] No, no, no. Alone.

[Arizmendi] Alone?

[Serrano] Alone into the hideout. We had detected six hideouts, but there was still one to be discovered, because we knew there were a total of seven. This hideout was the last one; he had no others. [passage omitted]

I would like to give special recognition to the president, because he said to me right from the beginning: Look, we need to bolster intelligence. We will easily get to where we want to go if you bolster intelligence. I feel truly happy.

In two months of professional work and leadership by the president, by Ernesto Botero [as heard], General Zuniga, General Bedoya, Holdan Delgado, and the DAS [Administrative Department of Security] director, we all built an important team, undoubtedly including the Prosecutor General's Office, which has given us support with prosecutors and has truly integrated with us.

Crime is neutralized today thanks to good cooperation between the organizations. I believe the Prosecutor General's Office deserves my recognition. At one time, I requested 20 prosecutors to carry out some raids, and we were assigned all 20. In the Search Bloc, we had a permanent prosecutor the same way it has a representative at the Attorney General's Office. It is truly an integrated operation. No one special needs to be given extra recognition. This process is one that we have led but that has, undoubtedly, culminated, I believe. The president has given us much encouragement; he has given us his friendship and deserves our recognition.

[Arizmendi] How was your talk with Miguel Rodriguez Orejuela on board the plane? What did he tell you about Santiago Medina? What about the relationship with the president of the Republic and the accusations against him by certain sectors these last few days?

[Serrano] We spoke about everything. He says he has not given money. There is much information for which I believe we should wait so that the Prosecutor General's Office can analyze it, but we talked a great deal.

[Arizmendi] I understand, however, he told you the president is an honest man.

[Serrano] Exactly, exactly. This statement is the same as what he said when we presented him to the press.

[Arizmendi] He also said during the news conference that Santiago Medina was a liar.

[Serrano] Exactly [words indistinct]. He used other adjectives that were recorded but, rather, ones I will not repeat.

[Arizmendi] Of the two Rodriguez's you had the opportunity of getting to know—because you had the pleasure of also traveling with Gilberto Rodriguez Orejuela to bring him here to Santa Fe de Bogota, to present him to the media, and to turn him over to the Prosecutor General's Office—which of the two was more calm, quieter, and composed?

[Serrano] Let me see, Gilberto was more calm, and, to put it another way, Miguel the most intelligent. He is a professional, an attorney. He has better diction, with information I will analyze. He is very friendly, and we will have enough information to make an analysis of each of them.

[Arizmendi] Of course. Did he promise you he will cooperate with the Prosecutor General's Office and the judicial system and reveal any disclosures?

[Serrano] He told me he did not surrender because of the long term, but I told him: We had to capture you sooner or later, and he replied: Yes, but we were going to surrender. The usual story, but we did not discuss those topics very much. [passage omitted]

[Arizmendi] Were there any tapped telephones to help you in the search?

[Serrano] With the capture of this man yesterday....

[Arizmendi, interrupting] The communications chief?

[Serrano] That guy did all their jobs with the telephone company. We had to move things a bit. The operation was scheduled for tomorrow.

[Arizmendi] Yes.

[Serrano] When the news of the communication man's arrest got out, I had a feeling. I told Luis Enrique Montenegro to keep that arrest secret, but it was not possible. I was called, and they said: General, we need to do this today, because the guy is going to move. This is one more important experience, because I did say that with this capture.... [pauses] This guy is the one who handles all the communications, places phone taps, so we moved the operation ahead 24 hours.

[Arizmendi] Of course. Did DEA or CIA agents participate in the operations?

[Serrano] You know we are working together. Drug trafficking is an international crime. It is good that international agencies do help us, and we have been carrying out this kind of work with them for some time now. You know I have been the Colombian Narcotics Police director since 1989. We have built up trust, as technicians say these days. Undoubtedly, they have helped us all along.

[Arizmendi] Were there agents physically taking part in the operation, however, or was it logistical support?

[Serrano] Logistical support, because this operation—as I told you—was carried out with personnel from Santa Fe de Bogota, with Narcotics Police personnel. [passage omitted]

[Arizmendi] Did he recognize your success and that of the police and the Search Bloc?

[Serrano] He said: I take my hat off to you all. You are very intelligent, he said. You do a clean job. I believe this serves as an example for the future. There is no need to make such a fuss. This is pure intelligence work. This statement is what I said from the beginning. Intelligence is the basis of the entire police concept of operations, both to prevent as well as to repress.

[Arizmendi] Of course. He was certain he was not going to be caught. Did he feel certain?

[Serrano] He gives me the impression he did not believe we could capture him so swiftly, because [words indistinct]. The hideouts also made them feel secure, but we would have had to demolish the apartment had we not found him, because we knew he was there.

[Arizmendi] Yes, of course. There was not the slightest doubt?

[Serrano] No, no, no. We were 100 percent certain. When we say we are 100 percent certain, there is no other way. [passage omitted]

[Arizmendi] We talked with President Samper, and he told us exactly that: It is the end of the Cali Cartel, as he has promised.

[Serrano] Undoubtedly. The Cali Cartel is dead. It was in intensive care, and it died today. [passage omitted]

Samper Pronounces Cartel 'Dead'

PA0708021595 Santa Fe de Bogota Radio and Television Networks in Spanish
0144 GMT 7 August 95

[Speech by Colombian President Ernesto Samper from the Narino Presidential Palace in Santa Fe de Bogota — live relay]

[FBIS Translated Text] Colombians: We will complete one year of my government on 7 August. Six August is undoubtedly a historic day. Dr. Julio Cesar Sanchez, former mayor of Santa Fe de Bogota and former minister of state, was freed safe and sound. He returned to his loved ones, as all those kidnapped in Colombia must return during my term.

On this day, I want to announce to the country and the entire world that with the capture of Miguel Rodriguez Orejuela, the cartel [four-second break in reception] dead. This is a victory for Colombia, for each and every Colombian. It is now the turn of the Prosecutor General's Office, with the support of the government, of course, to try the cartel.

Combatting drug trafficking is and will continue to be our nation's highest priority because of its repercussions on national security, because of its profound power to corrupt society, and because of the high costs we are paying to abolish its presence. The Cali Cartel is dead, but this is the beginning of the end of the drug trafficking problem in Colombia.

We will continue eradicating plantations and substituting them alternatively. We will continue intercepting aircraft and controlling airports. We will continue destroying industrial drug processing laboratories.

Today more than ever, Colombia has the right and moral authority to demand, on behalf of so many Colombians sacrificed in this struggle and because of the huge cost we have paid, a clear responsibility from the international community to control and reduce drug consumption, to wage a frontal attack on money laundering, and to reduce the sale of precursor chemicals.

Only when the world community assumes its own responsibility will we be able to get rid of the drug threat looming over us all today. If we firmly maintain our determination, if we can count on international support, Colombia will then be able to think it will be free of the drug problem by the end of this century. Colombia cannot continue solving the drug trafficking problem for the world, the reason why we feel alone in this struggle at times. With the end of the cartel, the phase of narco-corruption that has characterized it in the past must also end.

In the past days, a wave of moral terrorism and blackmail has been unleashed to discredit everyone. I myself have been the victim of this form of pressure. I personally confess to you that I prefer to assume the cost of moral terrorism than the cost of physical terrorism against innocent Colombians.

I have no need for any person who stands outside the law to cast doubt on or to attest my honesty, because the Colombian people already know they have an honest president at the helm of their destiny. What I cannot accept as president—nor will I accept—is the prevalence of folly in Colombia, that birds start firing at hunters and criminals start accusing the innocent. There is nobody more interested in bringing clarity to the events of the campaign than I. What we want is for the processes to advance promptly so that the country can continue advancing in peace.

In order to try all pending cases, we need a justice that works, prosecutors allowed to work with the calm and discretion befitting a good judge, and, most of all, respect for due process. I am prepared for all the attacks that may come, prepared to deny all the slanders, to reject all despicable actions, and to face any conspiracy. The government is demanding that it be judged by its results and specific actions, such as the one that drove us to destroy the Cali Cartel.

It pains me deeply, therefore, that what is happening may weaken the necessary unity all Colombians must have to continue fighting violence, to have peace back, and to have calm. Perhaps the developments of this past day keep many of you from knowing that the inflation rate dropped in July, that the economy generated 210,000 new jobs so far this year, that exports continued to grow, that we found new wells in the Cusiana zone, that—thanks to the programs we have implemented—over 9,000 micro-size companies are being established, that we placed the most significant issue of Latin American bonds in Japan, that imports of capital goods and raw materials have grown, and that the color green was again seen in the Colombian countryside.

Despite these good results in social and economic areas and the resounding success in our war on drug trafficking, it is clear we still need to advance in rebuilding national consensus. In other words, the times are demanding that we be capable again of reaching consensus. We must be ready for the Cali Cartel's death throes. This is not the time for division, recriminations, or arguments but is the time for unity, cooperation, and, most of all, honest work.

Colombian society today is facing the threat of different, violent forces. Never before had calling on our commitment been so important. Aware of this crisis, I am summoning to a great, national pact against violence in order to continue fighting drug trafficking head-on, to defeat subversion, to ensure that justice shines in all proceedings, to stamp out corruption and to return to citizens their security we need to join all our efforts.

I am appealing, then, to the Church, to the parties, to industrial businessmen, to social organizations, to workers, to unions, to the media, and to all Colombians so that together we can set down the bases of this commitment. Colombians know how to achieve what we set out to do. On assuming the Presidency, I proposed to put an end to the Cali Cartel. Today, before completing my first year of government, I am making this first report of victory. With equal determination, I want to invite all Colombians to join me in this effort. It will be a happy opportunity for all of us to tell this beautiful country we still love it.

Colombia has the right to be happy. Let us not deny it that right. As president of all Colombians, I will not allow anyone to deny it that right. Good night.

Defense Minister Hails Arrest

PA0708015795 Santa Fe de Bogota Emisoras Caracol Network in Spanish 2300 GMT 6 Aug 95

["Special news bulletin" by Carlos Gomez Herrera]

[FBIS Translated Text] We have talked to Acting Defense Minister General Hernando Camilo Zuniga Chaparro about the successful operations mounted by the government of President Ernesto Samper Pizano, the military forces of Colombia, and the National Police Directorate.

[Begin recording] [Gomez Herrera] General, what do you think of the present the government has given the country and the world today in capturing Miguel Rodriguez Orejuela?

[Zuniga Chaparro] This is the successful culmination of the government narcotics policy devised early this year. It is part of the fifth phase of Operation Dignity led by military forces and the National Police. This operation was a joint effort by the Police and Navy intelligence; it was conducted in a truly commendable and admirable manner. I hereby congratulate all those who participated in this operation and their commanders for the success achieved. [end recording]

These were statements by Acting Defense Minister Gen. Camilo Hernandez Zuniga Chaparro about the successful operation staged today to apprehend Miguel Rodriguez Orejuela.

Later we will have more information on the other news reported by military forces to the country: the rescue of former Senator Julio Cesar Sanchez. This information was reported by the Army Subcommander Gen. Vergara Aragon. We will also have statements by Mr. Julio Cesar Sanchez upon arriving here in Santa Fe de Bogota.

Interior Minister on 'Unprecedented' Success

PA0608231295 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1844 GMT 6 Aug 95

[News conference by Colombian Interior Minister Horacio Serpa Uribe with unidentified reporters in Cartagena de Indias; broadcast in progress—live relay]

[FBIS Translated Text] [Serpa] ....to investigate the conduct of President Ernesto Samper; therefore, there is no atonement to be done, neither by the government nor the president of the Republic, about that specific issue.

[Reporter] Mr. Minister, considering the difficult moments the president is experiencing, do you believe his situation will finally clear up shortly?

[Serpa] The one who is most interested in having the situation cleared up is President Samper himself. He is the main one demanding openness, and he has offered the cooperation of his entire government so that the authorities can perform the major task of carrying out justice.

[Reporter] [Words indistinct] of drug trafficking in his campaign [words indistinct]? Is there any possibility that drug trafficking funds may have been used to finance President Samper's campaign?

[Serpa] [Words indistinct] what the Prosecutor's Office and the Chamber of Representatives are investigating. The authorities are offering support and cooperation to all those involved in the investigations. What all Colombians can be certain of is that any mistake or illegality that may have occurred during the campaign undoubtedly transpired without the knowledge of he who is the president of all Colombians today.

[Reporter] Mr. Minister, anytime there is an arrest such as the one we had today....

[Serpa, interrupting] I am prepared to resign any time the president of the Republic decides to do so, given he is the one who appoints and removes us.

[Reporter] Mr. Minister, any time there is an arrest such as the one we had today, Colombia receives some type of congratulation from the U.S. Government. Regarding the arrest of Miguel Rodriguez Orejuela, has the U.S. Government officially contacted the Colombian Government?

[Serpa] I have no information as to whether the president of the Republic has received any....[pauses] He has received numerous calls from here in Colombia as well as from throughout the world. Specifically, I am unaware as to whether there has been any official statements from the U.S. Government yet, but I believe it will not take long to come. What we have just experienced is an unprecedented, international success in the struggle against drug trafficking.

[Reporter] Mr. President [as heard], we understand that you have helped the president draft the speech he will be using today during his address to the nation that radio and television will cover. What issue will the president of the Republic be discussing, and what changes now has he introduced into the speech he had originally prepared to commemorate his first year in office?

[Serpa] I have not helped President Samper prepare his speeches, nor has anyone else. He usually prepares his own statements, more so with this one in particular.

[Reporter] Will the defense minister still be a civilian, or are there plans to appoint a military man?

[Serpa] That decision is up to the president of the Republic, but I have the impression—and I say this remark with all due respect to the president's autonomy—that it will be a civilian.

[Reporter] Mr. Minister, after the dismantling of the cartels, will the government channel its energies to fighting the guerrillas?

[Serpa] This government has been fighting the guerrillas. Colombian authorities, particularly the Army, have been carrying out intense and positive work against these criminals. Of course, President Samper's government wants the authorities' fight against all those acting outside the framework of the law to become more efficient everyday. The guerrillas are operating outside the law.

[Reporter] Mr. Minister, now that there is no Cali Cartel, on what will the Search Bloc focus?

[Serpa] On fighting criminals. I say this statement generically, because they would disappear if they know what we will do.

[Reporter] It is said the Search Bloc will move to the streets of Santa Fe de Bogota.

[Serpa] We will fight crime on the streets of Santa Fe de Bogota and in all Colombian cities.

[Reporter] Mr. Minister, there is talk of the coastal cartels, of San Andres, Bucaramanga, and Ibague. To where will the struggle be directed? What will be the government's priority?

[Serpa] Fighting all cartels. There is no doubt about that.

Security Director Comments on Arrest

PA0708044895 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1700 GMT 6 Aug 95

[Telephone interview with Ramiro Bejarano, director of Colombia's Administrative Department of Security, by Dario Arizmendi; Bejarano's location is not specified; from "The Midday Newscast" — live]

[FBIS Translated Text] [Arizmendi] It is 1212 in Colombia, and we have just made contact with DAS [Administrative Department of Security] director Dr. Ramiro Bejarano. Dr. Bejarano, good afternoon.

[Bejarano] Good afternoon, Dario. How are you doing?

[Arizmendi] Congratulations! Were you in Cali yesterday taking part in this operation?

[Bejarano] No. I was in Cali, but I did not take part in the operation. I was in that city on strictly personal and family business.

[Arizmendi] Is this the end of the Cali Cartel, like President Ernesto Samper Pizano told Caracol this morning, following the capture of the penultimate member of the Cartel leadership?

[Bejarano] There is no doubt about it. This is a definite and conclusive demonstration of the national government's and President Samper's resolve. President Samper has personally spearheaded all these actions and has closely monitored, week after week, the development of operations and all actions. Pacho Herrera is the only one of the seven cartel leaders who remains at large...

[Arizmendi, interrupting] This morning General Rosso Jose Serrano told us that, on the flight from Cali to Bogota, Mr. Miguel Rodriguez Orejuela told him that he had not been in the hideout in the Altos de Santa Rita building in Cali for approximately 15 days. What is the importance of this piece of evidence provided by Mr. Miguel Rodriguez Orejuela, in light of the curiosity of the National Police director?

[Bejarano] Well, I have not spoken to Mr. Rodriguez, but I am aware of this information from the same source. Gen. Rosso notified me of it. This is important since many reports about this are circulating. There was even talk that there was carelessness by the Prosecutor General's Office, that there were problems with the DEA. But what is truly important is that even if Miguel Rodriguez was not there, the fact that some documents belonging to Miguel Rodriguez were found must be assessed. You remember the many things that have been said in the last few days and in this war of rumors, infamy, slander, and base behavior, because all kinds of comments and information have been reported. It was also said that some documents had been planted there to further complicate the situation, therefore, this statement, had it been made by Mr. Miguel Rodriguez to Gen. Rosso Jose Serrano, will have to be evaluated in light of all the above.

[Arizmendi] It becomes more important now that both in the news conference and on the trip to Bogota, Mr. Miguel Rodriguez told Gen. Serrano, who told this to Caracol exclusively this morning, that Mr. Santiago Medina was a liar. He said the president had not received one peso for his political campaign and that he was an honorable and transparent person.

[Bejarano] Of course, the integrity of the president of the Republic will be apparent. He said so yesterday in important statements to Fedemetal [Colombian Federation of Metallurgical Industries] and also in some remarks he made in Cartagena. He said that he will respond to each and every accusation against him. The country can rest assured there will not be one crack in or any shred of doubt about the conduct of Ernesto Samper.

[Arizmendi] Of those left of the cartel leadership, only Francisco Pacho Elmer Herrera Buitrago is yet to be apprehended or to turn himself in to authorities. Are you optimistic that the authorities will arrest this individual?

[Bejarano] Yes. Also, military forces, police, and the DAS are conducting intense operations to apprehend this individual. We are not letting up on this. And let me tell you also that I suggested Gen. Montenegro ask Mr. Rodriguez Orejuela if the picture we recently published in advertisements offering rewards as being that of Pacho Herrera is what he looks like now. I understand Gen. Montenegro asked him about this, and Mr. Rodriguez Orejuela refused to comment.

But on this point also, let me to tell you the country must be certain about the effectiveness of the advertisements offering rewards. That is why the national government, through DAS, proactively and forcefully took on the judicial task of challenging the proviso ordering us not to air the reward advertisement featuring Miguel Rodriguez Orejuela.

As the general public knows, last Friday the Bogota high court accepted my argument, in the sense that the public advertisement did not affect the good name or family situation of Miguel Rodriguez Orejuela. The court also determined there was sufficient legal cause to air this ad.

The national government will continue to air advertisements, particularly for Pacho Herrera. If six cartel leaders have fallen in just two months, you and the country can rest assured that we will soon have Pacho Herrera behind bars.

[Arizmendi] Finally, Dr. Ramiro Bejarano, and thanking you for talking to Colombia's Caracol audience, you are being mentioned as the replacement for Dr. Fernando Botero Zea as defense minister. What is the likelihood of this?

[Bejarano] None whatsoever. I have not spoken to the president of the Republic about this. No ministry has been offered to me. To the contrary, the fact my name was mentioned prompted the discontent of a particular group; surely you know who I'm talking about. This has prompted all kinds of infamous and slanderous remarks, but we are here to serve, and we are carrying out a difficult task. I can tell you that the decision to appoint a defense minister will be made by the president of the Republic when the time is right.

[Arizmendi] Caracol learned this morning from the president himself that his choice will surely be announced before the end of Tuesday. Did you file criminal charges against LA PRENSA for its publications blaming the DAS for retrieving documents from the Prosecutor's Office?

[Bejarano] Of course. The country can rest assured that I will not tolerate anyone who dares slander the DAS director, who is a law-abiding citizen and a university professor in public service. That is why I filed suit. I will also respond to any other attack against my good name and my reputation. I know a particular media source has launched a campaign against me, my good name, and against the institution. And I am a man of war, in the sense I will settle these cases in court.

[Arizmendi] Dr. Bejarano, do you believe that that the media, particularly LA PRENSA, is making those slanderous and ill-intended remarks because of its owners' political interest in this affair?

[Bejarano] I am unaware of the motives or reasons. What I know for sure is that they have lied, and they are deliberately determined to keep lying. That is why the country does not take that media source seriously, because they never tell the truth.

[Arizmendi] Is the DAS investigating the intrusion in the office of Dr. Armando Sarmiento and the removal of documents?

[Bejarano] I understand that's being done by the Prosecutor General's Office. I can assure you that no one from DAS, much less its director, has been involved in such action. That is a lie; this will be proven. Those who have dared to accuse such a serious institution as DAS will have to pay the consequences.

[Arizmendi] We thank DAS Director Ramiro Bejarano for making statements to Caracol network.

Gen Zuniga Placed in Charge of Defense Ministry

PA0408162095 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1500 GMT 4 Aug 95

[FBIS Translated Text] General Camilo Zuniga Chaparro, the commander of the Colombian Armed Forces, has been placed in charge of the Defense Ministry.

[Madrid EFE in Spanish at 1537 GMT on 4 August transmits a related 240-word report that adds: "Gen. Zuniga will serve as defense minister until President Ernesto Samper reaches a decision regarding the permanent successor of former Minister Fernando Botero Zea." The EFE report also notes that the person to be chosen as "the new defense minister must be a civilian."]

Samper Deplores Recent Events, Vows to Dispel Doubt

PA0508020595 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 0000 GMT 5 Aug 95

[From the "Seven O'Clock Newscast"]

[FBIS Translated Text] President Ernesto Samper's speech at the Fedemetal General Assembly in Barranquilla concluded a few minutes ago. What was expected would be an economic speech was actually a political speech. The head of state complained in a sad tone about the current crisis that prevails in the country and he warned the government will not be confused or immersed in chaos.

President Samper warned this evening in Barranquilla that he is concerned because he notices a certain degree of senselessness in this situation because rumors are overriding the evidence, tails are wagging the dogs, and criminals are accusing the innocent.

Samper closed the Fedemetal General Assembly and said the worst thing that could happen to Colombia is to fall into the trap that was laid to confuse, divide, and undermine the social atmosphere with suspicion. The president said he will meet with the accusing commission and counter, one by one, the slander and falsehoods published this week, including the order to investigate a crime based on the statements given by a questionable individual — clearly referring to [former campaign treasurer] Santiago Medina.

Lastly, Samper emphasized that the problem right now is not getting to the bottom of the matter but to take the truth out of context, indicating that this is what has been done in a morbid information zeal.

The president issued an appeal to all the sectors in the country, urging them to reflect next week about Colombia's future.

Vows To Answer 'Slanderous' Accusations

PA0508200995 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 1800 GMT 5 Aug 95

[From the "Cripton Newscast"]

[FBIS Translated Text] Following a week of revelations stemming from Santiago Medina's deposition and the resignation of ministers, the holiday weekend has apparently calmed everyone's spirits. Yesterday, President Ernesto Samper himself ended the week in Barranquilla by urging everyone to remain calm and relaxed.

[Begin Samper recording] I am concerned to see a certain degree of nonsense in everything taking place. Rumors are winning out over evidence, and the hunted are stalking the hunters. [applause]

The problem is not to uncover the truth, which is what all of us want but, rather, to not allow the truth to be taken out of context. Unfortunately, this is what we are doing by improperly handling information. This is an illness that is undoubtely harming many innocent people.

The only ones who benefit from this are the enemies of the law, those who sponsor violence, the rebels, the drug traffickers, the criminals, and the corrupt. This is why justice will have to clarify everything. It will make the truth shine to its ultimate consequences. This is what I knew last week when I asked that my own conduct be investigated by the Congressional Accusations Commission.

I will answer each and every slanderous and false accusation published this week — accusations made before this commission. This is the curious beginning of a process from a doubtful personality. [sentence as heard] I will clarify each lie, and I will denounce every false remark, until each and every incident of this bitter episode comes to light. [end recording]

Medina on Ties Between Samper Campaign, Cartel

PA0408133195 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 0000 GMT 4 Aug 95

[From the "Seven O'Clock Newscast"]

[FBIS Translated Text] [Announcer William Calderon] It is evident that during his interrogation, Santiago Medina, President Samper's former campaign treasurer, has attempted to implicate many government officials in wrongdoing, including President Samper himself.

Today, EL TIEMPO newspaper published Medina's full interrogation on two pages, copies of which have reached the news media. These are Medina's accusations against the president, but their validity has yet to be proven.

[Begin recording] [First unidentified reporter] First, candidate Samper was involved in receiving money from international companies and financial groups, sums that were later not recorded in the campaign's official ledgers.

[Second unidentified reporter] Second, candidate Samper was involved in accepting money in dollars that was never registered.

[First unidentified reporter] Third, candidate Samper knew about and authorized his subordinates to accept money from the Cali Cartel to finance his campaign.

[Second unidentified reporter] Fourth, candidate Samper is a long time-friend of the Rodriguez Orejeula family.

[First unidentified reporter] It is not known whether Medina gave documented evidence regarding these accusation against the current president of the Republic, or whether this is simply his version, which the Prosecutors Commission will now have to compare to the president's version. [end recording]

[Announcer Paola Charry] Today, many of the individuals named by Santiago Medina quickly jumped to tell their side of the events of the last presidential campaign. It appears many of them are contradicting Medina. The first was the manager of "QAP News" newscast.

Here is Medina's version and Julio Andres Camacho's reply:

[Begin recording] [First unidentified reporter] Santiago Medina, President Samper's former campaign treasurer, categorically confirms the Recoletos pact in Madrid. Ernesto Samper, Eduardo Mestre, and Alberto Giraldo attended this meeting, with the last two representing the Rodriguez Orejuela brothers. They agreed Mr. Mestre would be in charge of handling the assistance the Rodriguez brothers offered their friend Ernesto Samper and Alberto Giraldo would remain at a distance as an observer of the Conservative process.

At this time, Dr. Monica de Greiff, Dr. Fernado Otero, and Julio Andres Camacho, president of the "QAP News" newscast, also attended the meeting in Madrid. Alberto Giraldo told me they saw a photographer approaching the table and that he took a photograph in which all of those who were present appear. I believe they have scoured the entire planet looking for this photograph.

Meanwhile, Julio Andres Camacho today said he can prove he was not in Madrid at that time:

[Camacho] It is completely false that I attended a meeting with representatives of the Cali Cartel, Mr. Alberto Giraldo, or Mr. Eduardo Mestre. I was at a meeting with Minister Botero, who was not a minister at that time, Monica de Greiff, and Ambassador Samper in February. According to Mr. Giraldo, in a letter which I saw yesterday in the news, he was in Madrid in May. The Prosecutor General's Office should collect the passports of all those who have been implicated and establish whether or not they were indeed in Madrid at this time, and if they were not, this claim will collapse under its own weight. [end recording]

[Calderon] In another part of the interrogation, Medina assured that former DAS [Administrative Department of Security] Director Miguel Maza Marquez was given 165 million pesos from the Rodriguez Orejuela brothers. Here is Miguel Medina's version, as well as General Maza's version:

[Begin recording] [First unidentified reporter] During his interrogation, Medina said that, in the first round of the campaign, a meeting was held at Alberto Giraldo's apartment — a meeting attended by Dr. Samper, Botero, Humberto de la Calle, Alberto Giraldo, and Miguel Maza Marquez. The purpose of this meeting was to convince Maza Marquez to support Samper's presidential candidacy. Gen. Maza agreed on the condition that he be paid 165 million pesos, which was equivalent to his campaign deficit. This amount was given to Gen. Maza by Alberto Giraldo as a donation from a group of friends in Cali. According to Alberto Giraldo's version, he turned the money over to Gen. Maza in cash, and two days after this transaction, Gen. Mazo publicly announced his support for Samper. The money was given to Gen. Maza as a contribution from the Rodriguez Orejuela brothers.

In refuting this, Vice President De la Calle said that during this meeting no one spoke about money and that Medina was not present. According to Maza Marquez, Medina's version is a lie.

[Maza] My campaign did not have a deficit. The Electoral Council can verify this, as can the oversight office to which we remitted our books on 31 May — that is, two days after the first round of the elections. Second, the day I met with the president of the Republic, the vice president, and Dr. Fernando Botero, no one spoke about money, as Dr. De la Calle said today. [end recording]

Gilberto Rodriguez Orejuela Denies Campaign Financing

PA0708034395 Hamburg DPA in Spanish
1918 GMT 4 Aug 95

[FBIS Translated Excerpt] The leader of the drug trafficking Cali Cartel, Gilberto Rodriguez Orejuela, who was captured on 9 June, has said that he did not help finance last year's political campaign in the framework of the presidential elections. This was reported today by his lawyer Juan Fernandez. Rodriguez thus refuted statements by Santiago Medina, the former treasurer of President Ernesto Samper's campaign, who had said the Cali Cartel had given money to Samper, a charge that one week ago unleashed the most serious political crisis in the country in recent years. [passage omitted]

In the report on the inquiry, which was mysteriously stolen from the Prosecutor General's Office on Saturday and which was published by the media, although its contents should have kept secret, Medina said the

Cali Cartel also gave money to presidential candidates Andres Pastrana, who contested the second round of elections with Samper, and Miguel Maza.

But the lawyer, Fernandez, said Rodriguez refuted Medina's statements and told the Prosecutor General's Office that Rodriguez never met with anyone to schedule the delivery of money for political campaigns. Fernandez said: "Rodriguez said he never participated in meetings to finance political campaigns or gave money for such purposes." The lawyer also said that Miguel Rodriguez Orejuela, who took over the cartel's leadership when his brother Gilberto was captured, is still willing to turn himself in if the Prosecutor General's Office agrees to give him a maximum sentence of 18 years and then reduce it because he would have surrendered and confessed his crimes, as provided for in the Penal Code. [passage omitted]

Ecuador

Agreement Reached With Peru To Resume Trade

PA0508135695 Quito Voz de los Andes in Spanish 1230 GMT 5 Aug 95

[Report by Loyda Carriel from the "The Voz Andes Newscast"]

[FBIS Translated Text] Border trade between Ecuador and Peru will resume within the next few weeks. Jose Vicente Maldonado, minister of industries, commerce, integration, and fisheries, has announced that trade between Ecuador and Peru resume within the next few weeks.

Despite the fact that no specific date has been set for the reestablishment of commercial ties between the two countries, the minister said that in talks he held with Peru's trade minister, the two sides agreed to reopen border trade soon.

[Begin recording] [Maldonado] I met with Peruvian Minister Lilliana Canales. It was not exactly a working meeting, but we met within the framework of the different events organized in Lima. We have agreed that the immediate step to be adopted by both countries, following the demilitarization agreement, is the normalization of trade.

[Unidentified reporter] When will this take place?

[Maldonado] I trust this aspiration of the Ecuadoran peole will be realized next week. You know that Ecuador and the national government have already taken positive steps in this regard by unilaterally reopening the border. It is now Peru's turn to follow suit. [end recording]

Minister Jose Vicente Maldonado met with Peru's trade minister during the second inauguration of Alberto Fujimori in Lima, Peru. In these talks, it was agreed that, following the demilitarization of the disputed zone, border trade would be reestablished within the next few weeks.

Paraguay

Williamsburg Recommendations Passed to Military Leaders

PY0408172195 Asuncion ABC COLOR in Spanish 3 Aug 95 p 2

[FBIS Translated Text] All the high-ranking military leaders heard yesterday that one of the main recommendations of the defense ministers at their U.S. summit [in Williamsburg] is that the Armed Forces must fully subordinate themselves to the civilian power if the political processes are to be guaranteed. This issue was explained by [Defense] Minister Hugo Estigarribia Elizeche at the Army Headquarters during a meeting chaired by Armed Forces Commander Juan Carlos Wasmosy.

Among other topics, Estigarribia told the high-ranking military leaders about the growing trend of streamlining military cadres, the military subordination to civilian power, the adjustment of Armed Forces activities to their budget, and prospects for increased participation in areas like health and education.

The conclusions reached by the defense ministers of the Americas during their recent summit in the city of Williamsburg were thus reviewed at the Army Headquarters. These conclusions dealt with the current and future role of the Armed Forces. Copies of these conclusions were delivered to President Wasmosy and to the military leaders present.

Present at the meeting were General Silvio Rafael Noguera, the Military Forces commander; General Oscar Rodrigo Diaz Delmas, joint Chief of Staff; Army Commander General Lino Cesar Oviedo; Navy Commander Vice Admiral Carlos Guillermo Lopez Moreira; Air Force Commander General Cesar Cramer; General Santiago Zaracho, 1st Army Corps commander; General Magno Candia, commander of the 2d Army Corps, headquartered in San Juan, Misiones Department; and General Juan Simon Paredes, commander of the 3d Army Corps, headquartered in Mariscal Estigarribia, Chaco Department.

Following an introduction by the commander in chief, who emphasized the importance of the defense ministers summit, Estigarribia explained the recommendations made during the summit. The defense minister noted that, among other topics, it was agreed that the Armed Forces must be fully subordinated to civilian power.

The defense ministers also agreed that civilian leaders must respect the non-involvement in political affairs and professionalism of the Armed Forces. They agreed that military leaders must not become involved in political affairs.

The military echelons must not misrepresent their duties or become involved in drug enforcement, for example, but strictly play their role of guarding sovereignty and territorial integrity. In their final document, however, the defense ministers of the Americas encourage the participation of military echelons in development activities through their cooperation in health and education issues. Estigarribia explained that the possible participation of the military echelons in drug enforcement activities can only be permitted under very special circumstances when the appropriate organizations like the police are overwhelmed or overpowered.

During the defense ministers summit in Williamsburg last week, it was agreed to categorically "reject" any possibility of using a military uprising to adjust the problems encountered by a state.

One of the many recommendations made during the defense ministers summit notes: "Crises experienced by any member state do not warrant the disruption of a representative democratic system." This idea seeks to avert the aspirations of the Armed Forces to impose administrative order through a coup d'etat, which ultimately involves the disruption of a process.

This was a blunt proposal agreed on during the "Armed Forces Under the 21st Century Democracies" issue. Estigarribia said: "We believe the basic dignity of an individual and respect for the state of law are basic factors for achieving a solid and lasting hemispheric security."

Another notable decision involved supporting joint actions by civilian and military personnel, including joint professional education and training to achieve a better understanding of civilian and military contributions to national security and a democratic society.

Airlines Denounce 'Surrender' of Sovereignty to Brazil

PY0508010595 Asuncion NOTICIAS in Spanish
2 Aug 95 pp 32, 33

[FBIS Translated Text] Local airlines have denounced directors of the National Directorate of Civil Aeronautics (Dinac) for having surrendered Paraguayan sovereignty in the air to the Brazilian agency Committee for Studies Related to International Air Navigation (Cernai), a fact that justifiably worries them.

Dinac Director Oscar I. Bogado Fleitas allegedly accepted the surrender of our national sovereignty in the air through a memorandum of understanding that was signed by Paraguayan and Brazilian aeronautics authorities. The surrender was accomplished by the inclusion of clauses in the document by which Dinac fully accepts current Brazilian aeronautical regulations.

This agreement means that national commercial airlines will have to resort, from now on, to Cernai for revision and navigability certification for flights to European countries and the United States "until Dinac has the appropriate infrastructure to fulfill that function."

Dinac was blacklisted by the Federal Aviation Administration (FAA) — a U.S. institution that establishes the conditions for foreign aeronautical organizations or concerns to operate in the United States — and, therefore, cannot authorize flights to the United States.

This simply means that airlines with Paraguayan licenses cannot land in any U.S. state as long as the FAA ban remains in effect.

Act of Understanding

The "memorandum of understanding" was signed by Oscar I. Bogado Fleitas, Dinac administration council chairman, and Cernai President Renato Claudio Costa Pereira in Foz do Iguacu (Brazil) on 14 July 1995. These are the document's salient points:

a. "The Paraguayan civil aeronautics authority, through this memorandum, adopts current Brazilian aeronautical regulations";

b. Cernai, with the participation of Dinac's technical personnel, will carry out "the inspection and general overhauling of Paraguayan commercial planes and will certify their navigability conditions, until Dinac has the appropriate infrastructure to fulfill that function";

c. Cernai will train Paraguayan technical personnel to carry out the inspection of routes, platforms, and bases, the certification of planes, and the granting of licences to aeronautics personnel;

d. The memorandum of understanding "is not limited to purely technical aspects of flight security, but can encompass other civil aviation technical and administrative areas";

e. At the request of Dinac, Cernai "will provide the adequate technical personnel for fulfilling the specific functions assigned to it."

The memorandum was supposedly signed with the purpose of "establishing a framework for cooperation, assistance, and advice" between Cernai and Dinac authorities. The document, however, is a "gross" surrender of Paraguayan aeronautical sovereignty to Brazil, a country that will be in charge — based on the document in question — of authorizing flights and giving licenses to companies engaged in local flight operations.

The directors of Paraguayan commercial airlines have characterized the document as "a new surrender of our interests to Brazil," even though the memorandum must still be formalized at the diplomatic level by both countries.

Dinac President Oscar Bogado was recently decorated by the Brazilian Government for his "excellent work" as head of the state organization, an event that made those affected by the understanding suspicious.

Peru

Feliciano Reportedly New 'President' of Shining Path

PY0408233495 Lima LA REPUBLICA (Sunday Supplement) in Spanish 23 Jul 95 pp 14-15

[Report by Jose Jara of LA REPUBLICA Investigative Unit]

[FBIS Translated Text] Everything seems to indicate that Sendero has another "president": Feliciano, which is the nom de guerre of Alberto Ramirez Durand. This information comes from Huallaga, the region where the Shining Path [SL] recently carried out several terrorist attacks and even managed to take over a village called Nuevo Progreso.

What about the once "President" Gonzalo, aka Abimael Guzman, who is imprisoned at the Callao Naval Base?

Gonzalo-Abimael is a has been; he is part of the history of SL's insurrection. The reorganization is over. Feliciano's new title as "president" does not mean simply that he is the new chief. It also means that the terrorist organization has gone into a new phase. The new SL does not care at all about its old leaders who are serving life sentences. The show goes on with new actors in the lead roles. The script is the same as before: a popular revolution which is currently engaged in a "strategic offensive." In fact, under "President" Feliciano's new leadership, the SL rejects the peace agreement that Abimael Guzman has proposed.

Intelligence Report No. 04-700-654, entitled "Evaluation of the Status of the Politico-Terrorist War January Through June 1995," allegedly prepared by Dincote [National Counterterrorism Directorate], analyzes this situation in-depth. According to this analysis, Feliciano is at the helm of what is still being looked upon as a dissident SL faction that neither accepts nor supports the peace agreement.

SL members who want peace call Feliciano and his people the Leftist Liquidationist Faction (LLI) [Linea Liquidacionista de Izquierda], while Feliciano's people call Abimael's supporters the Rightist Opportunistic Faction (LOD) [Linea Oportunista de Derecha].

The LLI and the LOD have been squabbling openly. Feliciano and his people have always been either indifferent or disdainful about the peace agreement, which they called "a counterrevolutionary hoax which the state has come up with to hamper the popular war."

On the other hand, the advocates of the peace agreement (who are mostly SL militants and leaders serving prison sentences, many for life) argued in favor of a "bloodless continuation of the popular war, that is, through political struggle, given the fact that international communism is experiencing difficult times." They also emphasized the need to hold the Second Congress under the guidance of a "select group of true communists," which should be called the "New Red Faction" [Nueva Faccion Roja].

It is obvious that the advent of a new SL leadership and the continuing subversive and terrorist activities are a political tool to pressure the administration. The more violent and active the new SL, the stronger becomes prisoner Abimael Guzman. Thus, it is conceivable that having Feliciano replace Gonzalo as SL president is part of a strategy devised even before Abimael Guzman was captured.

Many of the leaders and militants of the new SL, which is being called Red Path, are people who had at one point "repented." Apparently this is what prompted a recent government publicity campaign reminding all "repentant" terrorists that recidivists will get life sentences. They will have to stay in prison for the rest of their lives.

The alleged severance of relations between Guzman and Feliciano does not go all the way. Although Feliciano lashes out at the LOD (whose members he calls "black clique" and "capitulators"), he never says anything about Abimael Guzman. According to the analysis attributed to Dincote, Feliciano does not believe that Guzman is the one who drafted the peace agreement.

Jaime Antezana, an expert researcher of the subversive phenomenon, claims that Feliciano may be the military commander of the SL, but he could never replace the founder, Abimael Guzman, who epitomizes the "guiding thoughts," also known as "Gonzalo's thoughts."

Antezana believes that "there has been no ideological break-up because it is highly improbable that Feliciano and the militants are willing to forget 14 years of war under Abimael Guzman's leadership."

Dincote and Antezana agree that Feliciano is carrying out to the bitter end the message that Abimael Guzman sent out when he was presented to the press, namely, that "the popular war goes on."

Red Path Committee Leaders Arrested in Lima

PY0408153595 Madrid EFE in Spanish 1831 GMT 3 Aug 95

[FBIS Translated Excerpt] Lima, 3 Aug (EFE) — A police source reported today that the Red Path terrorist group has suffered a new blow with the arrest of 10 members of its "metropolitan committee," which perpetrated the wave of attacks in Lima in May and June 1995.

After saying that the National Counterterrorism Directorate (Dincote) arrested the subversives after thoroughly investigating their activities, the source said: "This blow is very severe. It will be very difficult for them to recover." [passage omitted]

The four leaders of the arrested group were introduced to the press on Wednesday, 2 August, at the Dincote headquarters, where they posed defiantly before the reporters.

The detainees are: Maria Azcarate Vidalon, 29, an engineering student; Rosalino Leon Fernandez (38); Nicefoto Meliton Cardenas (28); and Pascual Vilchez Ponce (41).

The police source said Leon Fernandez has a record of terrorism and had already been accused twice for treason to the fatherland, but was released "for lack of evidence."

The same source said Leon planned the car bomb attack on the "Maria Angola" hotel in Lima, for which he pretended to be an ice cream seller for some time to be near the building.

Nicefoto Meliton Cardenas prepared the explosive charge that was used in the attack, while Pascual Vilchez and Maria Azcarate stole the automobile that was used in the attack.

Azcarate is also accused of being the main head or "political leader" of the terrorist group that operates in Lima.

The other detainees were identified as Bernardino Quintana (48), director of a public primary school; Celia Alarcon Ore (45), a public school teacher; Wilson Garcia Asto (25); Jose Marcial Fernandez (42); and two unidentified minors. [passage omitted]

Brady Plan 'Unnecessary' if Debt Papers Repurchased

PY0308163095 Lima EL COMERCIO in Spanish 24 Jul 95 p E2

[FBIS Translated Text] Strong rumors have been circulating over the past few weeks that Peru has purchased a large share of its foreign debt papers on the New York secondary market. Although this has not been officially confirmed, some government representatives have said it would be one way to solve the foreign debt problem.

Lorenzo Sousa, Peruval Stock Market Agent Society [Sociedad Agente de Bolsa Peruval] president, has said that, depending on the amount of the purchase, a Brady Plan agreement with the creditor commercial banks could thus become unnecessary.

It was unofficially reported a few weeks ago that the purchase amounted to $2 billion. In this context, Sousa said Peru's overall debt with creditor banks would be $3.8 billion, to which must be added some $4 billion in interests.

He explained that if Peru has purchased more than 50 percent of the debt principal, a Brady Plan would be less necessary because the difference could be covered by reducing it through an exchange of the debt within the privatization process.

"If the purchase is more than $2 billion, the interests come free of charge, because what is purchased is the title which generates the interest," he said.

He said it is not feasible for Peru to purchase its debt without prior coordination with the IMF because it affects the macroeconomic variables, or with the creditor banks because their advisory committees are closely related to this multilateral organization.

He added that this alternative will not create a negative effect for the country as happened to Bolivia during the 1980's.

He explained that the Peruvian economic system has a variety of financial sources abroad, sources that can replace an eventual closure of credits by the commercial banks to Peru. This did not happen when Bolivia purchased its debt papers and was thus unable to obtain further financing.

Another factor that favors Peru in purchasing all or part of the foreign debt papers owned by commercial banks is that almost all other Latin American countries have implemented their respective Brady Plans, thus the largest debtor countries of the region have resolved their problems. This leads the banks not to consider Peru as a precedent which could harm their ability to recover the loans.

Either way, in his address to the nation during the National Holiday, President Alberto Fujimori may inform the country on the state of negotiations with the commercial creditor banks.

Uruguay

Brazil Lifts Restrictions on Uruguayan Exports

PY0408121695 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2035 GMT 3 Jul 95

[FBIS Translated Text] Montevideo, 3 Aug (AFP-NA) — Official spokesmen have reported that the Uruguayan Government today received with "satisfaction" the news that Brazilian authorities decided to exempt Uruguayan exports from the program of commercial restrictions that Brazil has been imposing for the past 20 days.

The administration of Fernando Henrique Cardoso decided to exempt Uruguayan exports following intense bilateral negotiations last week that included a private conversation between the Brazilian president and Uruguayan President Julio Maria Sanguinetti.

Sanguinetti asked his Brazilian counterpart to exempt Uruguayan exports from the non-tariff barriers included in a package of norms that seek to improve Brazil's trade balance and consolidate its economic stability program.

Industry Minister Federico Slinger said today that the Uruguayan request was "received well." Slinger added: "On 2 August we received a call from the Brazilian industry and commerce minister (Dorothea Werneck) telling us that Uruguay had been exempted from the program of commercial restrictions."

Werneck, who made a two day visit to Montevideo last week, promised "a quick and satisfactory answer" to a request by Uruguayan authorities after admitting that the Brazilian commercial plan hurt Uruguayan exporters.

The plan to limit the drive to buy abroad provoked the immediate reaction of Argentina, Paraguay, and Uruguay, the partners of Brazil in the Common Market of the South (Mercosur) integration process. These countries demanded to be exempted from the new custom regulations.

Slinger said: "We consider the Brazilian answer satisfactory for us." He warned: "We are still seeking agreement on other points in order not to hinder the consolidation of a complete customs union within the framework of Mercosur."

The minister said "the conflicting issues" affecting the four partners in the commercial block will be analyzed by the presidents "at a personal level" during the summit in Asuncion on 5 August.

Army To Assemble Weapons, Explosives for Export

PY0408140495 Montevideo EL OBSERVADOR in Spanish 21 Jul 95 p 7

[Report by Mauricio Almada]

[FBIS Translated Text] Colonel Angel Bertolotti, Army Materiel and Armament Service [SMA] director, told EL OBSERVADOR that the Uruguayan Army has taken the first step to join the arms race by evaluating the possibility of assembling and exporting pistols, revolvers, and riffles.

The Army began a study to import, assemble, and export weapons after the executive branch issued Decree 195/995 permitting the local manufacture and assembly of firearms.

The Army must negotiate with manufacturers already in the business in the region if is to solve commercial aspects and sell its products.

The Army is also thinking in exporting high and low explosives to the Southern Cone after finding important market pockets in Entre Rios Province, Argentina, and Rio Grande do Sul, Brazil.

The Army produces about 20,000 tonnes of high explosives (Pasma-Gel that is used instead of dynamite) and about 10,000 tonnes of low explosives (called Anfo) per month at its Florida Department plant. Bertolotti said the Army will triple its production if the project materializes. [figures as published]

The officer said the Florida plant could produce emulsions, a more advanced high-power explosive, if some small changes are made.

Bertolotti admitted that the Army does not have the most advanced technological means in this area, adding that it is not possible to make large investments. The existing installations, therefore, will have to operate at full capacity.

Bertolotti said the project will be implemented as a joint effort with private companies. The money that results from the business will be returned to the Army to be used to repair broken equipment.

Army Command instructions propose the study of two budget alternatives: Cost reduction and the generation of the Army's own resources.

The Army has held a monopoly in the manufacture of explosives as of 1975. Its main clients in the internal market are Ancap [National Administration of Fuels, Alcohol, and Portland Cement] the Portland Cement Company, the San Jose Mining Company, and mining company in Piriapolis, among others.

Another possibility under study is the manufacturing of combat mines. The factory lacks some technological elements to start production but has the necessary installed capacity and the technical personnel for the job.

In August the Army will inaugurate an ammunition reloading plant that will save 60 percent of the price of new units.

Reloaded ammunition will be used for training during peaceful periods. New ammunition will be reserved for other situations.

The Army uses the Argentine made FAL [Light Automatic Riffle], which is not widely used in the world but which has yielded good results locally. It uses 7.62-mm ammunition, which permits reloading. The Materiel and Armaments Service receives used riffles, repairs them, and returns them as new.

Service Director Colonel Angel Bertolotti told EL OBSERVADOR that the Army will start reloading ammunition for the Navy, the Air Force, and the police as of January 1996.

Bertolotti said there is concern over what the Common Market of the South might decide to do over the transit of substances that have double use, including those that can be used for agriculture or for manufacturing explosives.

Technical Terms

— Mission: The SMA handles the maintenance, supply, and recovery of all materiel and weapons that make the Army operative. It includes personal and collective, light and heavy weapons.

— Control: The Army has the additional responsibility to control arms registration in the entire country, to control companies that sell weapons, to control authorized and unauthorized civilian weapons, and to register arm collectors.

— Monopoly: The Army has since 1975 held a monopoly in the manufacture, import, control, and sale of explosives.

— Export: The Army is planning to export locally made explosives, locally assembled weapons, and combat mines.

— RAT: The Recovery of Terrorist Devices [RAT] is part of the SMA and works in the deactivation of explosive devices.

— Explosives Experts: The SMA takes tests and issues certificates to explosives experts.

Venezuela

Fedecamaras Proposes New Economic Plan to Caldera

PA0708022595 Caracas Venezolana de Television Network in Spanish 0200 GMT 3 Aug 95

[Report by Pedro Prado from "The News" newscast]

[FBIS Translated Text] On 2 August, Fedecamaras [Venezuelan Federation of Associations and Chambers of Commerce and Industry] presented to President Rafael Caldera what it considers the basic points for a new economic plan. The Fedecamaras directorate told the head of state that the economic course must change and that the nation should lean toward a free market macroeconomic policy. The business leaders presented basic proposals, including the flexibilization of the exchange rate and the elimination of controls.

[Begin recording of Fedecamaras President Jorge Serrano, identified by caption] There must be a solution. There must be a solution because, I repeat, a group that had not met for a long time and had refused to talk has actually agreed to do so. Thus, we must unite, we must talk, and we must together solve this problem. I think that right now all Venezuelans are very willing to do this and work for Venezuela. [end recording]

The Venezuelan businessmen are concerned about the Venezuelan state's growing indebtedness. Fedecamaras is also concerned that there is no better healthier fiscal policy, accompanied by a plan to increase collection of tax revenues, in the works.

Interior Minister Outlines Budget Cuts, Increases

PA0708030595 Caracas EL NACIONAL in Spanish 2 Aug 95 p D-1

[Report by Luisana Colomine; all figures as published]

[FBIS Translated Text] Members of the Finance Committee in the Chamber of Deputies have not been able to set priorities in the security sector. The Metropolitan Police [PM] have been allotted 350 million bolivares in the 1996 budget, which is a cut of 3.372 billion bolivares from the 8.610 billion bolivares it had requested for the Integral Security Plan [Plan Integral de Seguridad] (PIS).

Interior Minister Ramon Escovar Salom, who coughed throughout the meeting, said the MRI's [Ministry of the Interior] 1996 budget is 556.907 billion bolivares, of which 14.596 billion bolivares is earmarked for the ministry's expenses, and 542.330 billion bolivares, or 97.38 percent, are be transferred to the public sector.

The plan to restructure the Directorate of Alien Affairs will receive approximately 900 million bolivares in special funds.

"SACRIFICES"

Escovar did not neglect to mention that these figures were provided by the Finance Ministry and that the MRI has not wanted to make an issue of these figures, because all agencies must take some budget cuts. But Escovar went on to enumerate the ministry's "sacrifices", that is, "projects that will not be implemented" because of the budget cuts.

— The second phase of automation of administrative process, from which 225 million bolivares have been cut.

— An increase in the physical size of police academies, because of a budget cut of 65 million bolivares.

— An intensification of efforts by the Directorate of Intelligence and Prevention Services [Disip] in security matters, because of a budget cut of 500 million bolivares.

— The Civil Defense Integral Plan suffered a 132 million bolivares cut.

— Requests made for the PIS because of the denial of 8.610 billion bolivares.

The sacrifices add up to 10 billion bolivares.

Escovar believes the reduction of the PM's budget is the most serious of these cuts.

The budget for secret expenses was also cut 1.620 billion bolivares. At this point, Escovar stopped to explain that the question of the secret fund had to be removed from the realm of myth "in a de-mythifying way."

Sometimes I see figures approaching $300 billion in secret expenses and I am shocked, because where are they? They are not in the MRI. There is too much confusion on this issue.

Regarding the Intergovernmental Fund for Decentralization [Fondo Intergubernamental para la Descentralizacion] (Fides), Finance Committee President Ambrosio Tarre Briceno wanted to know why out of the 180 billion bolivares which correspond to Fides as its percentage share of the tax income, they were first granted 20 billion bolivares, and in the end received 5 billion bolivares, as had been announced by Fides President Ambrosio Perera Tarre. Tarre asked for an explanation, but Escovar was not very clear on this issue.

SECURITY

The deputies were aware that Minister Escovar would explain the PIS last night, so as a courtesy they promised not to "attack" the issue.

AD [Democratic Action Party] Deputy Liliana Hernandez said she was surprised by the cut in the PM budget because the number one issue that concerns Venezuelans in every state is the lack of security.

Escovar replied that apparently this is not true, because he was pleased to read the Sunday forum interview in EL NACIONAL with Zulia Governor Lolita Aniyar who gave assurances that in that region there are no security problems.

However, Copei [Social Christian Party] Deputy Henry Bencid insisted on discussing the issue and told the minister that it is difficult to determine where the priorities in security matters lie.

Bencid said that last year the PM was assigned 3.3 billion bolivares, but in 1996 it has only been assigned 350 million bolivares.

Furthermore, Congress approved 8 billion bolivares for Disip last year, although the original request was for 5 billion bolivares. This year it is being raised to 7 billion bolivares.

That is, Disip's budget increased 5 billion bolivares, but the PM budget is reduced 3 billion bolivares. What, then, is the existing priority: the uniformed police, which must face the underworld each day, or the political police?

French Guiana

Ariane Successfully Launches U.S. PanAmSat-4 Satellite

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2355 GMT 3 Aug 95

[FBIS Translated Text] Korou, French Guiana, 4 Aug (AFP) — The European rocket Ariane successfully placed into orbit a U.S. telecommunications satellite on Thursday night, announced those responsible in the Korou, French Guiana Space Center.

Ariane began the 76th space flight of European rockets at 2258 GMT, and 21 minutes and 14 seconds later placed in orbit its 101st satellite, the United States'

PanAmSat-4, belonging to private telecommunications PanAmSat Corp., aimed at facilitating diverse communications in Asia, Africa, and Europe.

PanAmSat-4 is a new generation satellite weighing 3,043 kg. Its useful payload consists of 16 30-watt repeaters on C band and 24 60-watt repeaters on Ku band.

For approximately 15 years it must ensure the simultaneous function of up to 320 radio channels and up to 120 direct television channels, in addition to telecommunication services for private networks.

From its geostationary position (at an altitude of 36,000 km above the Equator), 69 degrees East, above the Indian Ocean, west of the Maldive Islands, it should especially help the direct broadcast of television programs to India and South Africa.

The company, which is based in Greenwich (Connecticut), will now have the world's first private satellite telecommunications network.

Built in El Segundo (California) by Hughes Space and Communications, the world's largest satellite builder, this fourth PanAmSat will join the other two satellites belonging to the enterprise.

PanAmSat-1, launched by the first Ariane 4 in June 1988, ensures telecommunication services between the American continent and Western Europe.

PanAmSat-2, in orbit since 8 July 1994, covers the Pacific region.

Arianespace, the marketing corporation for the European rocket and world market leader in launching satellites, has pending the launch of 40 satellites. The next on list is the Japanese N-Star at the end of August.

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